

# AUTOMOTIVE EXECUTIVE

May 1985 OFFICIAL PUBLICATION OF THE NATIONAL AUTOMOBILE DEALERS ASSOCIATION



**Dealership Design Ideas**

**Body Shop Buyer's Guide**



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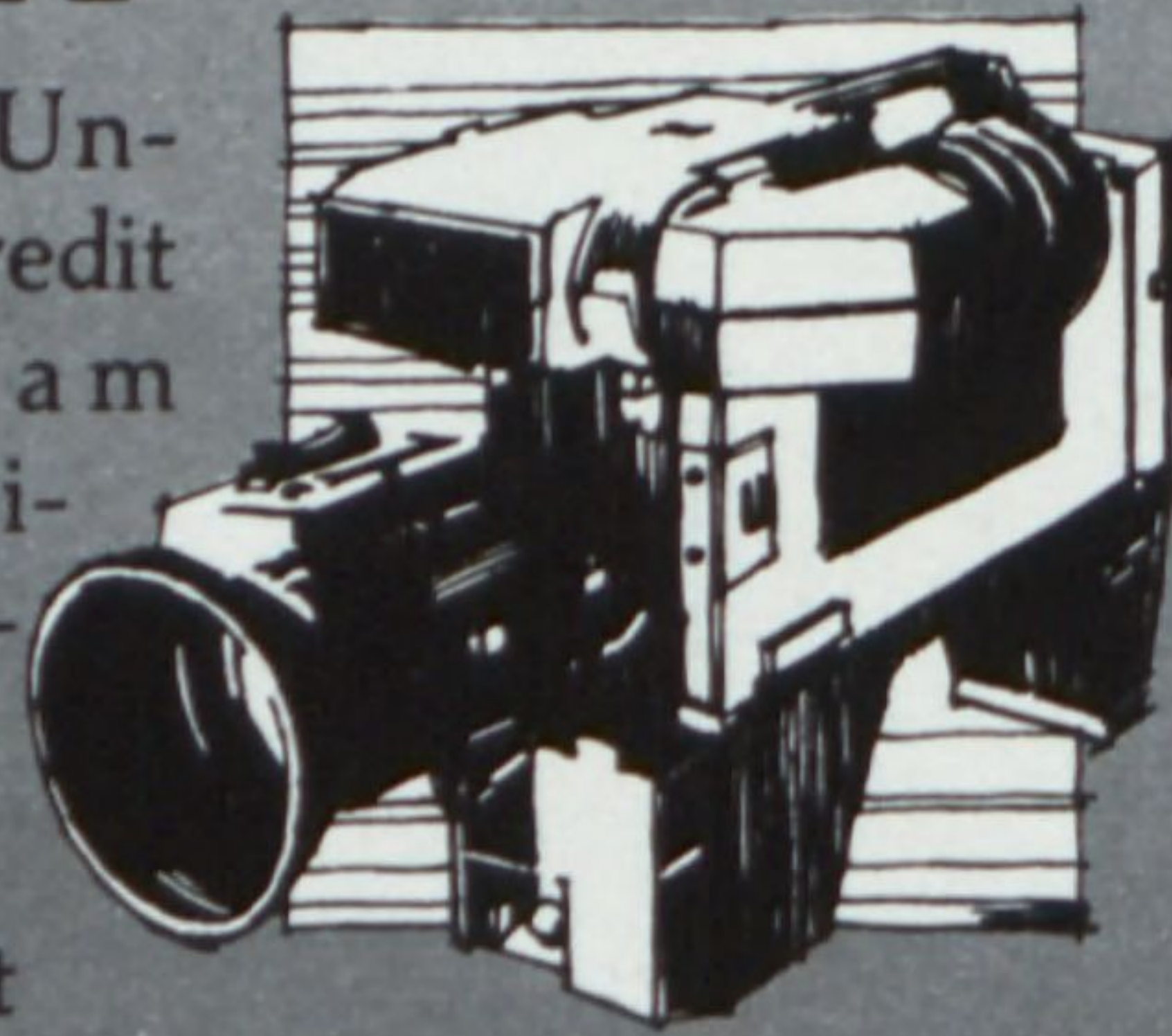


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- product/service buyer's information

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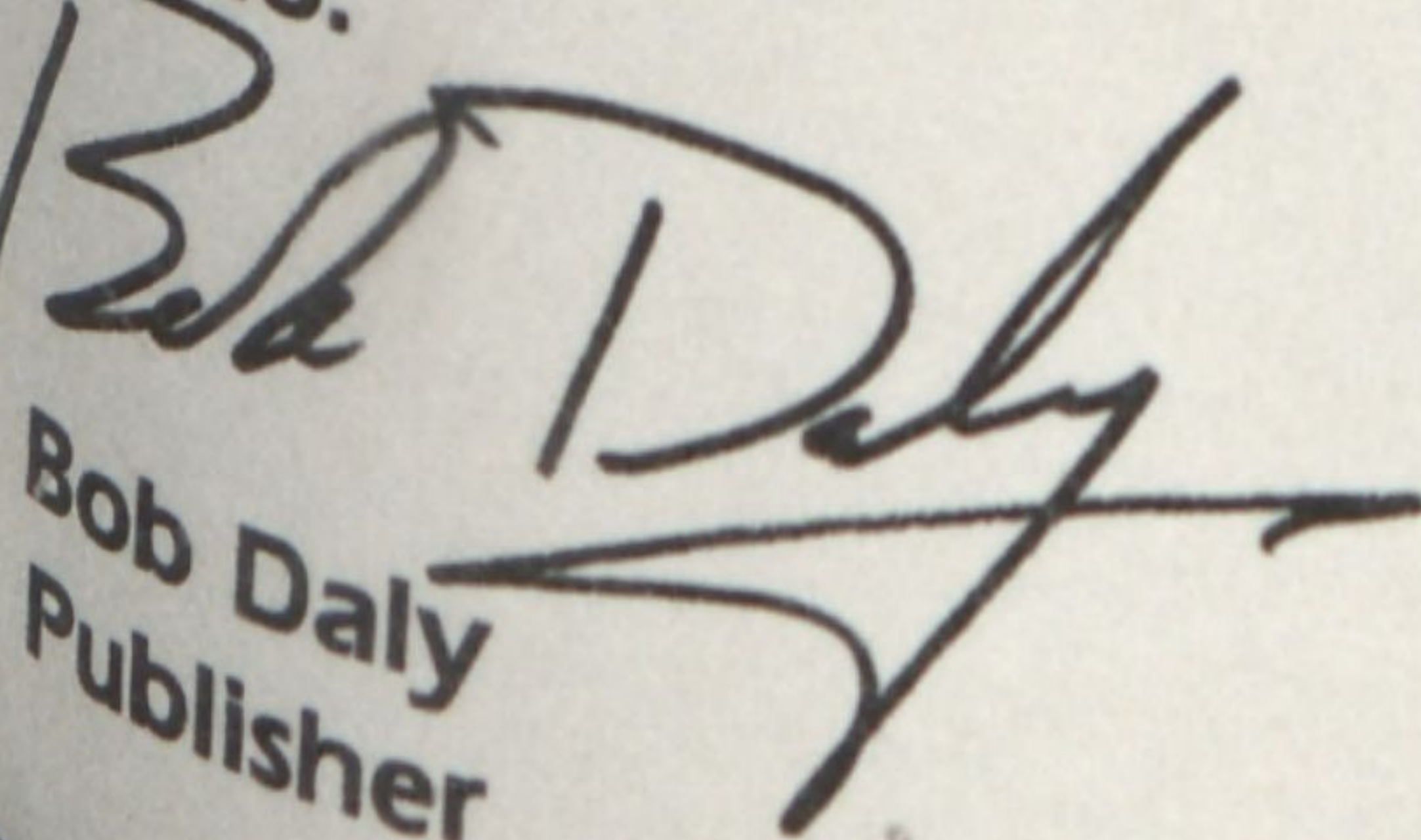
*Automotive Executive* is written exclusively for you, our reader. Each month we deliver business information and industry news aimed at helping you run your business more effectively.

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Our August 1985 Dealer Business Guide is all part of *Automotive Executive's* commitment to providing you with the most comprehensive industry coverage. It's an issue you'll want to save to use all year long.

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For more information call any of our staff listed on the back page of this memo.

  
Bob Daly  
Publisher



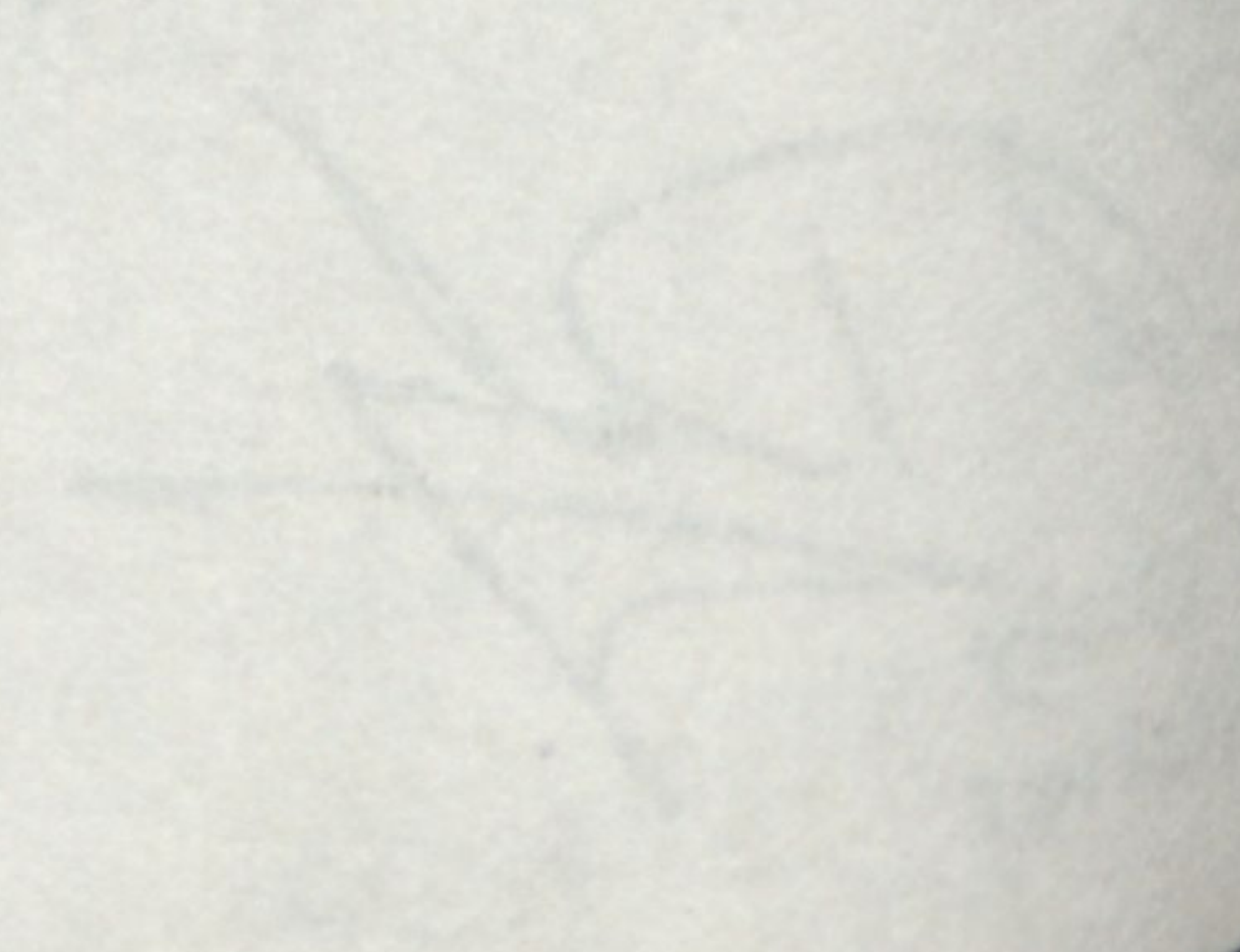
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in for our 1985 Dealer Business  
in August. An important  
business line with which  
we have a long history  
of doing business and  
which is a very important  
part of our business.


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and industry news aimed  
at helping you run your business  
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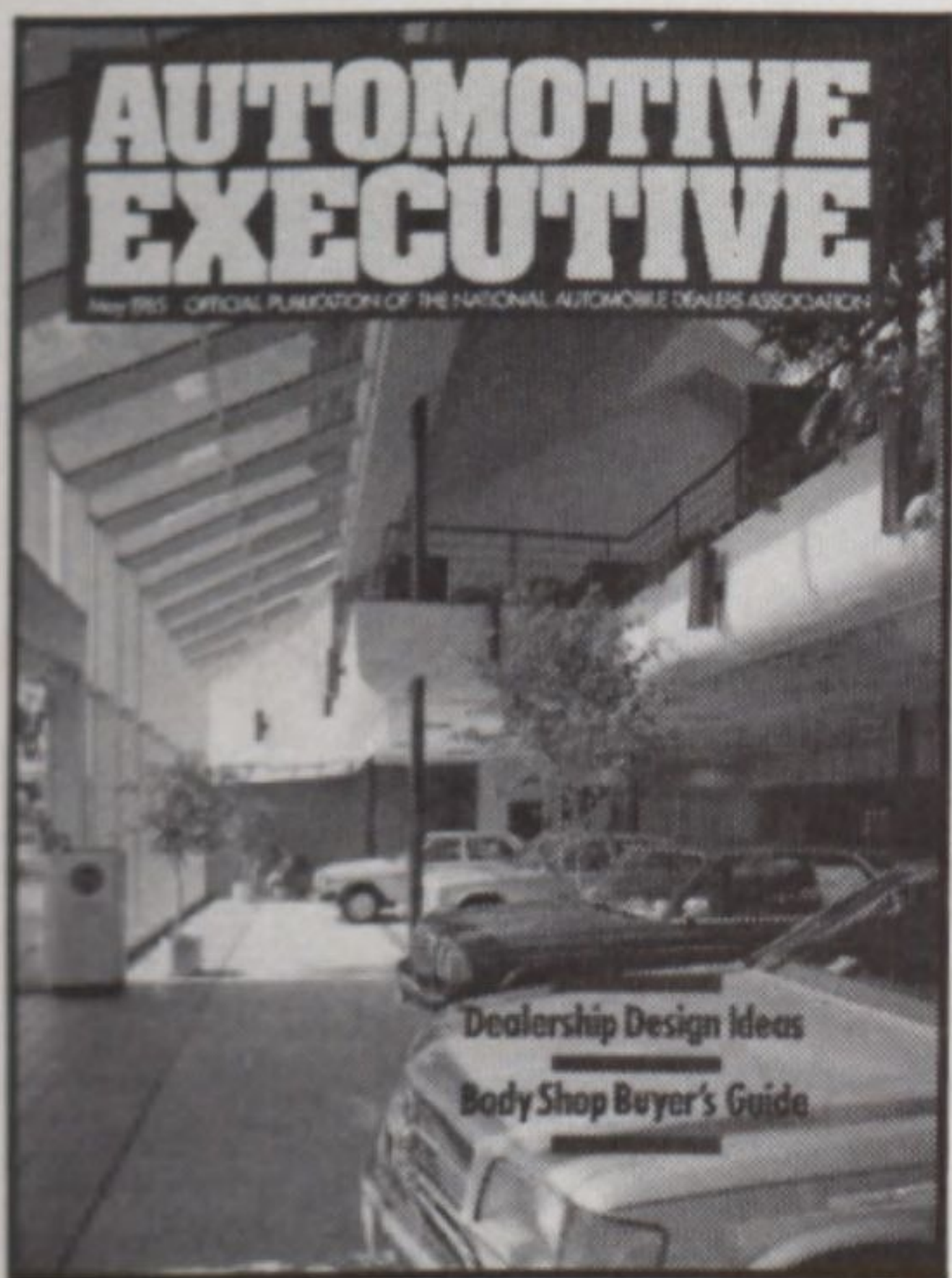
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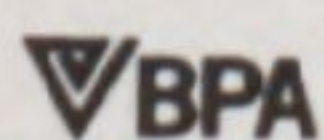


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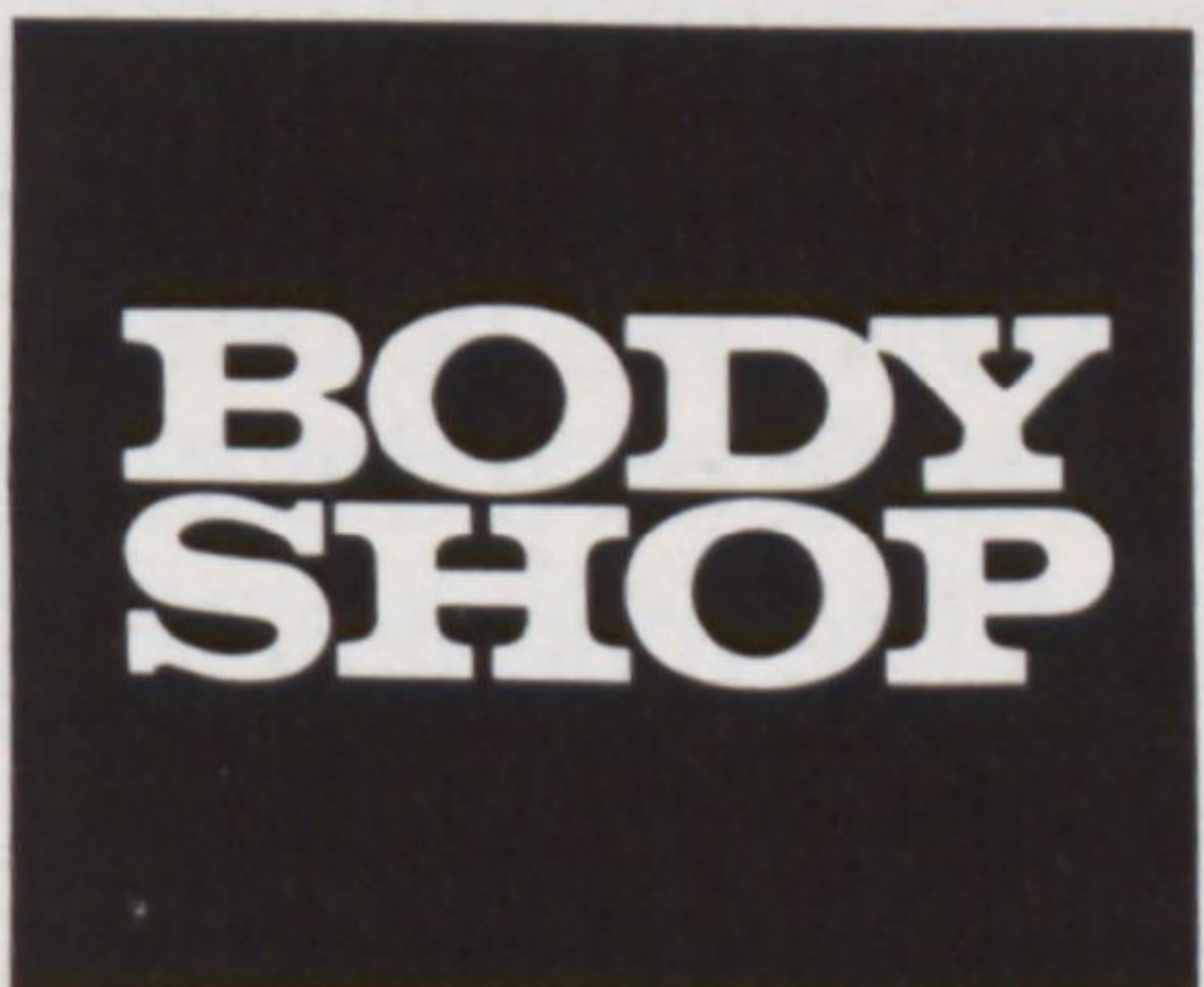
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# NADA Commentary

## Call It Opportunity

In a past age, America was justly famous for the success of its "Yankee Traders." They were known to turn a sale from changes in the weather: "If it suns (or rains) tomorrow, there's sales in the wind."

This month, dealers have a signal opportunity to use the same positive outlook to capture a giant measure of consumer goodwill and perhaps to increase used product sales, too.

As most know, the new Federal Trade Commission (FTC) Used Car Rule takes effect on May 9.

To businessmen and women in general (and to dealers in particular) new federal regulations are about as welcome as a carload of long-lost relatives at the start of a rainy weekend.

Sure the rule will have some impact on the used-car market.

It's also a fact that the rule will be at least a short-term inconvenience in retraining staff and revising procedures to comply with its requirements.

But the overwhelming truth that all should keep in mind is that this rule offers dealers an opportunity to improve their consumer goodwill practices. And the positive impact on dealer image is certainly worth dealer time and effort.

Last August, we called the FTC vote on the final rule a real NADA victory—11 years after the first skirmish. It has no mandatory inspection and warranty and no "known defects" clause. In fact, the final rule bears striking resemblance to the NADA voluntary "buyers guide" program previously used by dealers in 36 separate areas of the country.

Now, having noted the facts, we'd like dealers to look upon the new rule as an opportunity to redraw their own image and to increase customer satisfaction with the process of buying a used car or truck.

If dealers and their managers approach the rule positively, educating staff to discuss the rule frankly with customers, the entire process can be a positive reinforcement of dealer integrity.

With full and up-front disclosures of warranty and service contract terms, dealers, salespeople and customers can avoid misunderstandings of rights and responsibilities. (Businesspeople know that misunderstandings are the basis for most consumer complaints.)

Today, more than ever before, customer satisfaction has become increasingly important to dealership success. It is a key measurement for most manufacturers and importers in the new-car end of the business. And it will become even more important to dealers in the competitive car markets of the '80s and '90s.

This month, by embracing the rule as their own, franchised dealers have a one-time opportunity to shape their own image with the audience that counts most—their customers.

Such opportunities are difficult to find and even harder to recapture.

Word-of-mouth remains the best sales tool. And here is every dealer's chance to determine just what those words will be—now, and for the future. □

—Pete Lukasiak



# The AutoArmor Winning Team.

AutoArmor salutes these 150 outstanding members of our Winning Team. For over 10 years, each of these car dealers has increased profits by offering ECP AutoArmor quality products: Paint, Fabric, and Rust Protection, Sound Shield, as well as our new Interior Protection Package. Together with our research, manufacturing, and marketing staffs, these dealers have made vital contributions to the AutoArmor Success Story. Join the Winning Team. Call AutoArmor president Larry Garman at 1-800-323-3521 (in Illinois 1-312-986-2400).



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<b>Al Starr VW</b> Wilbraham, MA	<b>Dino Buick</b> Stoughton, MA	<b>Houser Buick</b> Springfield, MA	<b>Mueller Auto Company</b> Juneau, WI	<b>Smith Motors</b> White Marsh, MD
<b>Anderson Oldsmobile</b> Baltimore, MD	<b>Bill Dodge Olds/Saab</b> Brunswick, ME	<b>Howard Chevrolet</b> W. Roxbury, MA	<b>Muzi Ford City</b> Needham, MA	<b>Rick Starr</b> Pont/Toyota/BMW/VW
<b>Art &amp; Gene's</b> <b>Chev/Olds/Cad</b> Canton, IL	<b>Downtown Motors</b> Warren, OH	<b>Jessman's Garage</b> Lisbon, NH	<b>H.J. Nassar</b> Lawrence, MA	<b>Leominster, MA</b>
<b>A &amp; S Motors</b> Lincoln, ME	<b>Dulany Lincoln Mercury</b> Timonium, MD	<b>Jones City Garage</b> Cheboygan, MI	<b>Neldner Ford Sales</b> Lexington, IL	<b>Sam Taylor</b> Fort Walton, FL
<b>Atchley Ford</b> Omaha, NEBR	<b>Durand Chevrolet</b> Hudson, MA	<b>Leslie Kaskinen Chev</b> Bellaire, MI	<b>Newton Chry/Ply</b> Newton, MA	<b>Tommy Thomas</b> Panama City, FL
<b>Autohaus</b> Cohasset, MA	<b>Du Teau Chevrolet</b> Lincoln, NEBR	<b>Roland Kelly</b> Beverly, MA	<b>Rosen Novak</b> Omaha, NE	<b>Thompson Chev/Pont</b> Houlton, ME
<b>Barcomb Motor Sales</b> Hardwick, VT	<b>Elbery Motors</b> Cambridge, MA	<b>Key Ford</b> Pensacola, FL	<b>Nummerdor Bros.</b> Waupan, WI	<b>Timonium Toyota</b> Cockeysville, MD
<b>Bauer Ford Mercury</b> Brookville, IN	<b>Fairplay GMC</b> Bloomfield, IN	<b>King Chevrolet</b> Exeter, NH	<b>Old Colony Serv. Cnt</b> Egertown, MA	<b>Towson Dodge</b> Baltimore, MD
<b>Pete Baur Pontiac</b> Strongsville, OH	<b>Foley Chrysler/Ply</b> Quincy, MA	<b>Klaben Dodge</b> Kent, OH	<b>Old Mill Toyota</b> Omaha, NE	<b>Towson Ford</b> Towson, MD
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<b>Hayden Beardslee</b> Cassopolis, MI	<b>Friedman Toyota</b> Des Moines, IA	<b>Kreiger Motors</b> Muscatine, IA	<b>Peoples Garage</b> Skowhegan, ME	<b>Wagar Motor Sales</b> Gaylord, MI
<b>Bergstrom Chev/</b> <b>Buick/Cad</b> Neenah, WI	<b>Gateway Motors</b> Nashua, NH	<b>Dan Kruse Pont/Datsun</b> Dubuque, IA	<b>Prout Chevrolet</b> Elyria, OH	<b>Wagner Pont/Jeep</b> Iowa City, IA
<b>Bernard Olds</b> Sheboygan, WI	<b>Gibbs Ford</b> Saugus, MA	<b>Lahti's Inc.</b> Leominster, MA	<b>Ridgeview Linc/Merc</b> Covington, KY	<b>Weidenbacher Olds</b> Decatur, IL
<b>Billicke Olds</b> Albion, MI	<b>Giberson Pontiac</b> Brunswick, ME	<b>LeBert Bros/Linc/</b> <b>Merc/Nissan</b> Arlington, MA	<b>Rieger Motor Sales</b> Forest, IL	<b>Weir Motors</b> Arundel, ME
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<b>Brooks Motor Sales</b> Rensselaer, IN	<b>Baltimore, MD</b>	<b>Bob Luegers Motors</b> Jasper, IN	<b>Rudy's Auto</b> St. Joseph, MI	<b>Winkels</b> Loogootee, IN
<b>Bob Brown Chevrolet</b> Des Moines, IA	<b>Hallissy World of Cars</b> Lowell, MA	<b>Paul Maguire</b> Marshfield, MA	<b>Rydell Chevrolet</b> Waterloo, IA	<b>Woodworth Chevrolet</b> Andover, MA
<b>George Bumbu Ford</b> Newton Falls, OH	<b>Stu Hanson Dodge</b> Des Moines, IA	<b>Maine Mall Motors</b> So. Portland, ME	<b>Bob Salter Chevrolet</b> Pensacola, FL	<b>Yankee Motors</b> So. Portland, ME
<b>Burlington Dodge</b> Burlington, MA	<b>Harjak Motors</b> Bloomington, IL	<b>Dave Mason Linc/Merc</b> Indianapolis, IN	<b>Schaffer &amp; Strohminger</b> Olds	<b>Yoder Pontiac/Olds</b> Zelienople, PA
<b>Buzzards Bay Garage</b> Buzzards Bay, MA	<b>May Harris Motors</b> Remington, IN	<b>McIntyre Olds/Cad</b> Council Bluffs, IA	<b>Schaffer &amp; Strohminger</b> Toyota	
<b>Car Center Chry/Ply</b> Baltimore, MD	<b>Hartford Motors</b> White River Jct., VT	<b>Don Meyer Ford Mercury</b> Greensburg, IN	<b>Schmauss Chev/Buick</b> Forreston, IL	
<b>Chapdelaine Truck Cnt</b> Lunenburg, MA	<b>Marv Hartwig Datsun</b> Iowa City, IA	<b>Millbrook Motors</b> Doxbury, MA	<b>Schwartzburg Olds/</b> <b>Chevrolet</b> West Bend, WI	
<b>L. H. Chace Chevrolet</b> Middleboro, MA	<b>Les Hatch Pontiac</b> Traverse City, MI	<b>Miller Ford</b> Beaver Dam, WI	<b>Selig Chevrolet</b> West Allis, WI	
<b>Chrysler Ply West</b> Baltimore, MD	<b>Arnold B. Harvey Ford</b> Paw Paw, MI	<b>Model Motors</b> Camp Hill, PA	<b>Shea Motor Co.</b> Middlebury, VT	
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	<b>Larry Herron</b> Williamsport, PA	<b>Moorheads Ford Sales</b> & Service Gaylord, MI		
	<b>H &amp; H Chevrolet</b> Omaha, NE			



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# 20-Group Ideas

## Quality control manager

Doug Russell of Doug Russell Chevrolet Inc., Cypress, TX, has instituted a program in his dealership to raise his C.S.I. and improve the quality of service work and new vehicle preparation.

Russell wanted to eliminate second-time repairs, identify unsatisfactory technicians, raise shop profitability (by eliminating no-charge repairs), ensure proper new-vehicle delivery procedure and give himself more time for management duties.

To achieve these goals, Russell created a new position, quality control department manager, who was given full authority to double-check each unit before delivery. Russell feels for this manager to be successful, he or she must be given full authority to take the necessary steps to install a quality control inspection procedure. In addition, all personnel must be aware of the manager's authority, as some of the necessary inspections and road-testing must be delegated. The manager must also have the authority to turn back the job if not done properly, without having to answer to any department manager. Therefore, the only supervisor of the quality control manager is Russell himself.

As a result of increased delivery quality control, this program has been expanded to both mechanical and body shop repairs. Now all customer complaints are referred to the quality control department manager. ■

## Time to manage

Mike Treadaway of Treadaway Toyota, Richardson, TX, has hired a sales department assistant to help with paperwork and assist the F&I manager. The duties of this assistant can include reporting RDRs, keeping logs, writing PDIs and computer input in your car-locator system. This employee can also be a backup for the paperwork of the new and used sales manager. ■

## An energy/time saver

Bob Burns of Burns Motor Co., Spirit Lake, IA, has an idea to save time and money. In most dealerships, a tremendous amount of heat, air conditioning

and time can be lost when doors in the service department are constantly being raised to get vehicles in and out. It often takes two people to do this—one to drive the car and the other to "drive" the door.

Burns' solution was to install air-operated doors, the type which open and close faster than conventionally operated doors. He also put a radio-controlled activator on the main service door and gave each technician a controller so they can get in and out by themselves.

Burns reports that time and energy savings have been terrific, and the devices have more than recovered their cost. ■

## Team control

To help control shop supply expenses, J.W. Logan of Larry H. Miller Toyota in Murray, UT, reviewed the shop supply expenses per team for the prior six-month period and established a standard budget per month per team. If a team uses less than that amount for their shop supplies, they can purchase tools or other supplies for the team's usage and benefit. The tools remain the property of the dealership, and their purchase must be approved by the service manager. If a team spends more, the overage is deducted from their accrual account. If a team consistently runs over budget and there is never a credit in their account, the team is responsible for making up the difference.

Through this method, waste can be decreased—half-filled cans are less likely to be thrown away—and fewer supplies are taken home. Logen says everyone has become cost conscious since they have control and can see the results. ■

## Half time/half interest

Lou Thompson of Lou Thompson Cadillac Inc. in Lakewood, CO, raises the question, "Why not pay your mortgage in half the time with half the interest?" He suggests you compute the difference by paying the bank weekly or bi-monthly instead of monthly. If the resulting figures are to your advantage, you can approach your banker with the idea. It may be that if you have a low mortgage, the bank would also like to have it retired as early as possible. □

# TRADE TRIVIA

More brain fodder for geniuses.

1. When did the federal government make its first attempt to regulate the auto industry?
2. Who was the first to circle a one-mile track in less than a minute?
3. What city has the most cars per square mile?
4. The last one was easy, eh? Then tell us what two cities share the honor of having the most cars per household?
5. Who was the first U.S. President to ride to his inaugural in a car?
6. When and where did the world's first parking meter appear?
7. In what model years was the Henry J. produced?
8. What was the only year for the Cadillac Series Seventy-Two?
9. How many total Model T's were built?
10. What was the early Chinese word for automobile?

Answers: 1. In 1902 a bill was introduced in the 59th Congress to regulate the operation of motor vehicles, but it died in committee. 2. Barney Oldfield in a Ford 999. 3. Los Angeles. 4. Provo-Orem, UT and Salinas, CA. 5. Warren Harding in 1921. 6. 1935 in Oklahoma City. 7. 1951-54. 8. 1940. 9. 15 million. 10. Ford-o.



# Executive Notes

## Minority suppliers

■ General Motors spent a record \$567 million with minority-owned and operated suppliers in the U.S. during 1984, according to GM President F. James McDonald.

This new milestone exceeds the previous record of \$390.2 million in 1983 by 45 percent, McDonald said, adding, "General Motors' cumulative purchases from minority suppliers since the beginning of this program in 1968 amount to \$2.3 billion."

He also noted that the number of minority suppliers in the program has increased to 1,435, an all-time high. And 101 of these companies each had gross sales to GM that exceeded \$1 million in 1984, compared with 75 such firms the previous year.

"These record figures reflect GM's policy to do more than purchase quality goods and services from minority suppliers. They're representative of our ongoing goal to provide additional resources and assistance in order to develop capable minority entrepreneurs in all areas, including transportation and construction," said McDonald. He currently is chairman of the National Minority Supplier Development Council, a non-profit organization jointly funded by the U.S. Department of Commerce and the private sector to promote minority business.

## "5/50 Plus"

■ American Motors Corp. (AMC) has announced "5/50 Plus," a 5-year/50,000-mile limited powertrain warranty plus free required maintenance, excluding fluids, and five years of rust-through pro-

tection for its 1985 Renault Alliance and Encore subcompact models.

"With '5/50 Plus,' Alliance and Encore become the best backed subcompacts in America," said Jose Dedeurwaerder, AMC president. "American Motors has long been recognized as an innovator in consumer protection plans. We're reestablishing our leadership position with '5/50 Plus.'"

## Ford and the arts

■ Ford Motor Co. has made a grant of \$1 million to the Founders Society of the Detroit Institute of Arts in support of the exhibition, "Diego Rivera: A Retrospective." This exhibition is the centerpiece of the Detroit Institute of Art's centennial celebration.

The murals being shown in the exhibition were commissioned by Edsel Ford in the 1930s, at the time president of the City of Detroit Arts Commission. Most of the scenes in the murals depict operations at Ford's River Rouge complex.

The exhibition will open in Detroit in February 1986, and travel to the Philadelphia Museum of Art, the Contemporary Art Museum of Madrid, the National Gallery of Art in Berlin, and the Museum of Modern Art in Mexico City.

## Growth predicted

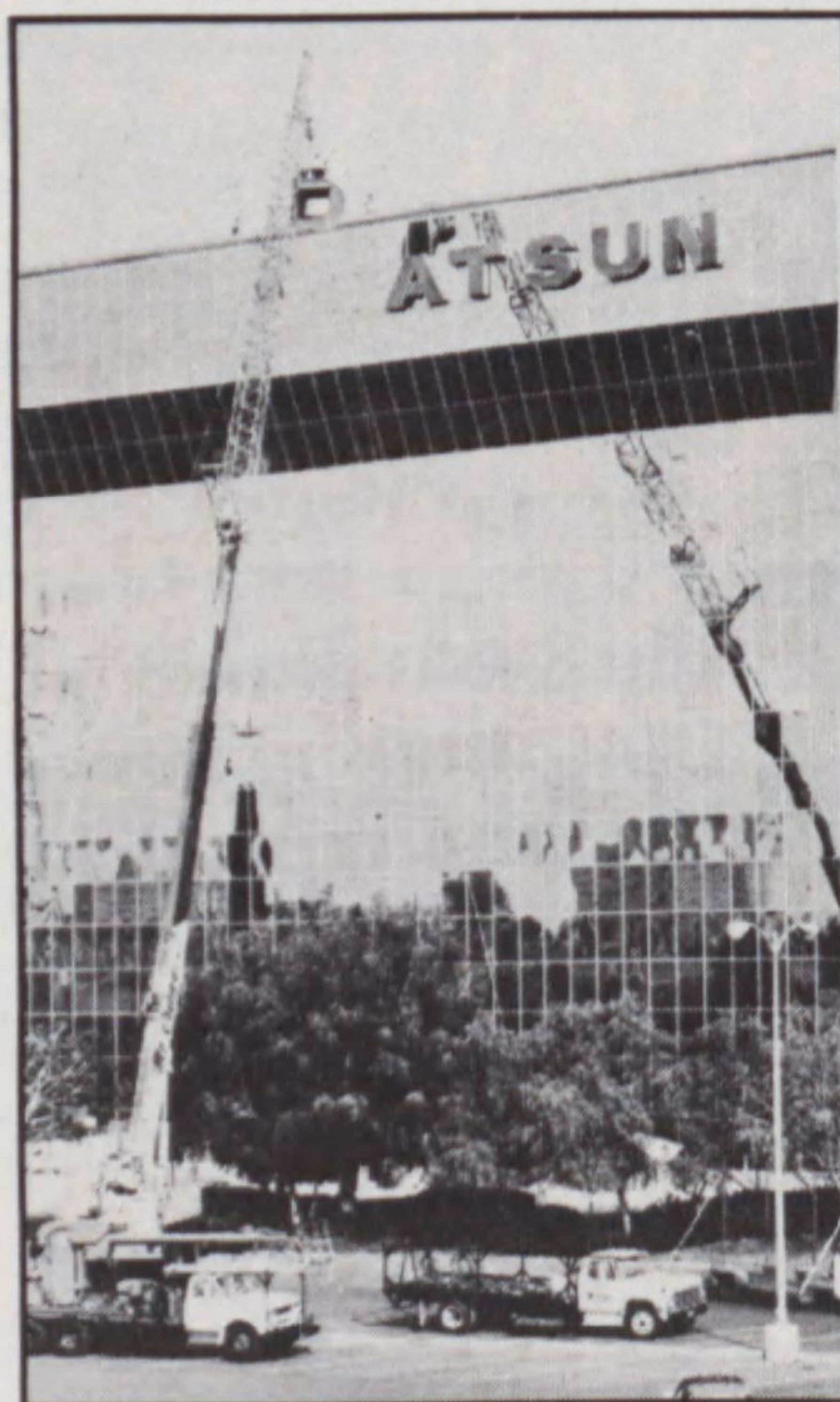
■ Our continuing love affair with the automobile almost guarantees worldwide growth of the industry, University of Michigan economist Paul W. McCracken said at the fifth annual U.S.-Japan Automotive Industry Conference at the University of Michigan.

## FTC Rule in effect

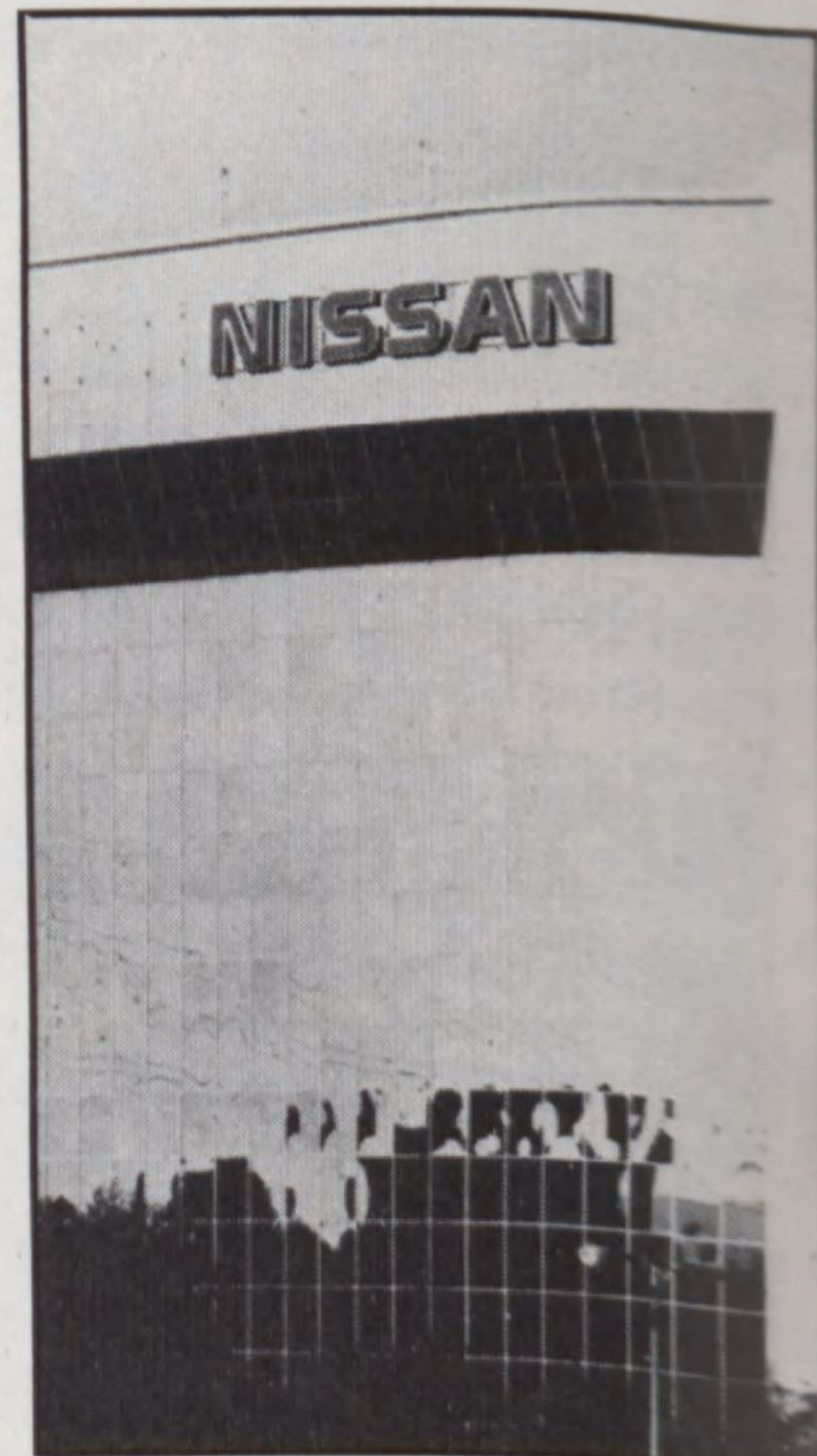
■ On May 9, the Federal Trade Commission's new "warranty disclosure" Used Car Rule will take effect throughout the U.S. Under the rule, dealers must complete and display a "Buyers Guide" on the side window of any used vehicle offered for sale.

NADA has mailed a Used Car Rule Compliance Guide to each of its member dealers. The Guide contains complete instructions on complying with the law. Additional copies of the Guide are available from NADA's legal department upon request.

Dealers should consult their attorney or NADA for additional details.



It's Datsun no more at the national headquarters of Nissan U.S.A. in Carson, CA. In a 1985 transition, the company's largest and most visible Datsun sign—7 feet by 60 feet—has been replaced by Nissan, signaling the final phase of a nationwide name change for the company. Nissan began its name change nearly three years ago with the renaming of each new product brought into the U.S. market. Installation of new signs at nearly 1,000 Datsun dealerships began this spring to complete the largest name change program in automotive history.



Barring political and economic totalitarianism, he added, the auto industry also should be bolstered by continuing technological advancement, market-moderated oil prices, and resumed expansion in the world economy.

McCracken projected that if the world economy expands as expected, the market for motor vehicles could be in the 70-80 million range by the year 2000—almost double 1979 demand. The real question, he said, is where these 70-80 million cars, trucks and vans will be made in the year 2000.

## Saving lives

■ A study published by *The Journal of the American Medical Association* reports the use of auto restraint devices virtually eliminates the risk of death in auto accidents for children four years of age and younger.

According to Dr. Robert Sanders of Tennessee's Rutherford County Health Department, motor vehicle accidents are the number one cause of death for children beyond infancy. He

called laws requiring children to use safety belts "... the most practical approach to protecting children against their leading killer."

## Honda's "Supergirl"

■ American Honda Motor Co. Inc. has developed a new safety belt education campaign targeted at driver's education students in high schools throughout the U.S.

Based on the "Supergirl" comic book character, the program is being conducted in cooperation with the U.S. Department of Transportation's national safety belt campaign. It is expected to reach more than one million driver's education students this year.

While most safety belt education programs have addressed the public-at-large, this program is considered unique for its emphasis on the young, new driver.

"There has been much constructive activity in the area of promoting safety belt use, and the Supergirl program represents one of the many ways our company continues to be involved," says Tetsuo Chino, president of Amer-



ican Honda. "We feel one of the best ways to get people into the safety belt habit is to reach new drivers."

## 50,000th Volvo White

■ The 50,000th truck recently rolled off the assembly line at Volvo White's New River Valley Plant in Dublin, VA. The vehicle is a White Conventional tractor, equipped with a Volvo 12-liter air-to-air intercooled diesel.

The New River Valley plant is one of three manufacturing facilities run by Volvo White Truck Corp. Built in 1974, the plant is one of the most modern facilities of its kind. Since Volvo White began operations in September 1981, additional emphasis has been put into advanced manufacturing systems to ensure high quality and timely custom delivery of new trucks.

## Marketing to teens

■ Teenage girls are more than twice as likely as boys to buy a new car, as opposed to used, reports a recent marketing survey conducted by Teen-Age Research Unlimited, Lake Forest, IL. The re-

search firm found that more than half of all 18- and 19-year olds own cars.

Ten percent of 18- and 19-year old males own motorcycles, a drop of 4 percent from the previous year's survey. Only about a quarter of the males surveyed own no motorized vehicles. In addition, 25 percent of those surveyed said they influenced their parents' purchases of automobiles. And, says the survey report, "... automobile preferences teens form today reflect the vehicles they'll buy as adults."

## "Build-a-Car"

■ The Mitsubishi Motors Mall Tour '85 is an exhibit merging automobiles and computer technology for a state-of-the-art peek at how automobile selection may be made in the future. It will visit some 52 shopping malls and Mitsubishi dealerships in 80 cities throughout the U.S. this year.

After viewing a full range of the 1985 Mitsubishi models, shoppers can use the new Epson QX-16 personal computer to "build" their dream car and receive information normally available only through automobile dealerships.

The special graphics capabilities

of the computer will allow visitors to choose models, colors and options. Printouts will be furnished listing selected options and providing approximate costs and sample financing information.

## Pontiac Grand Am

■ Pontiac's sporty Grand Am has become General Motors' fastest selling car in the 1985 model year, and the automaker is doubling production of the car from 6-7,000 a month to 11-12,000.

Through February, Pontiac delivered 31,647 Grand Ams for the 1985 model year with over 100,000 customer and dealer orders on hand. The car continues to be in the shortest days supply (10 days) and has had one of the quickest turnover rates of any GM car since the beginning of the 1985 model year.

## Dealers in the news

### • Anniversaries:

#### 60 Years:

\*E.M. Christensen, E.M. Christensen Auto Co. Inc., Harlan, IA

#### 50 Years:

\*Rudolf Tischer, Tischer Autopark Inc., Silver Spring, MD

\*Johnny and Lawrence Brasington, Brasington Cadillac-Oldsmobile, Gainesville, FL

\*David J. Towell, Dave Towell Cadillac, Akron, OH

\*John D. Vardell and Tom K. Striegel, Vardell-Striegel Buick, Kennett, MO

\*Randall M. Walker Jr., Walker Chevrolet, Jesup, GA

\*Argeo R. Cellucci Jr., Washington Street Motors, Hudson, MA

#### 25 Years:

\*John R. Cooke, John Cooke Motors Inc., Lexington, KY

### • Awards:

\*Warren J. McEleney, president of McEleney Motors Inc., Clinton, IA, has received a 1985 Distinguished Service Citation from the Automotive Hall of Fame. McEleney served as NADA president in 1971, and as NADA director for Iowa from 1966 to 1976. He is currently chairman of the NADART Board of Trustees.

\*Dan Cotton, owner of Dan Cotton Chevrolet, Beresford, SD, and president of the South Dakota

Automobile Dealers Association, recently received a Governor's Volunteer of the Year Award in recognition of his years of volunteer service to his community.

\*Bob Burns, Burns Motor Co., Spirit Lake, IA, recently received an Image of Excellence Award from the Buick Motor Division.

### • Around the USA:

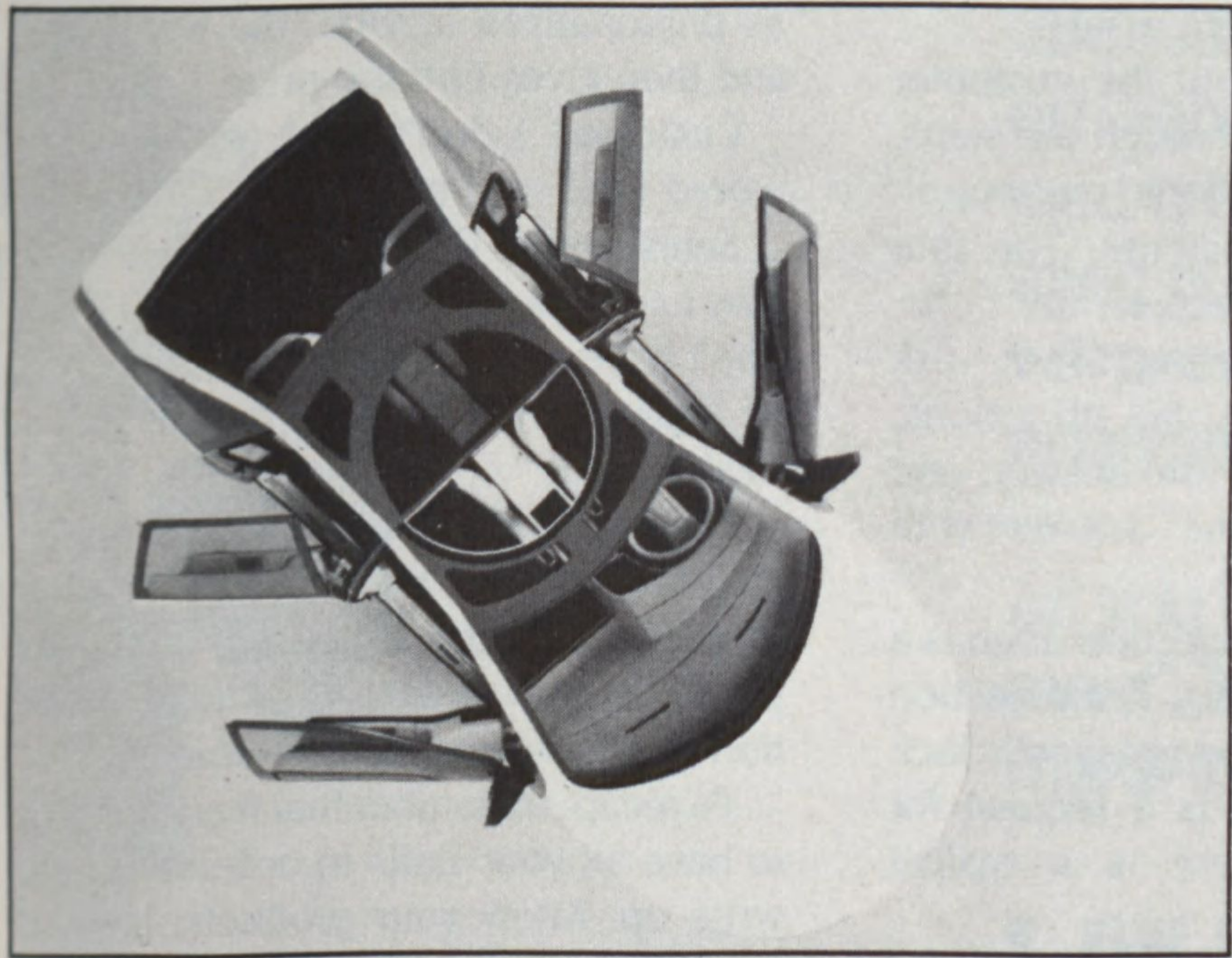
\*Uzzle Cadillac-Oldsmobile, Durham, NC, has begun a new employee benefit program called "Take a Taxi On Us" aimed at reducing the chance of any of its workers being in an alcohol-related accident. Under the program, the company will reimburse the taxi fare to any employee who uses a cab because he or she feels unable to drive safely.

\*Bill Smith Jr., president of Smith Norwich Inc., Norwich, NY, is working to promote the use of safety belts. In addition to newspaper ads spelling out how lives can be saved by the use of safety belts, he has developed an eye-catching promotion in front of his dealership using the old "Burma-Shave" approach. Signs are mounted on double posts so they can be read from any direction, and carry such messages as "Safety is easy/Safety is quick/Just grab the buckle/And make it click/Get it together—Buckle Up!"

\*Employees of F.E. Knickerbocker Oldsmobile, Flint, MI, recently took part in the Big Brothers/Big Sisters Bowling Challenge fundraiser. More than 3,000 bowlers participated in this event and raised approximately \$85,000 for the Big Brothers/Big Sisters of Greater Flint.

\*Austin Motors-Honda City, Levittown, NY, recently sponsored a poster contest for area high school students featuring the use of safety belts and the effects of driving while intoxicated. A \$1,000 scholarship plus a software package for the school's art department were awarded to the contest winner, with the two runners-up each receiving a \$500 scholarship.

Please send news items for "Dealers in the news" to Joan Rubin, associate editor, Automotive Executive, 8400 Westpark Drive, McLean, VA 22102



ASC Inc.'s four-passenger "Vision" show car has a strikingly futuristic look, enhanced by the use of flush-mounted glass all around. The vehicle's greenhouse, which extends from the front windshield to the rear in a smooth expanse of glass, incorporates a circular sunroof. The unique sunroof rotates electrically to an open or closed position, and is unlike anything on the market today. ASC Inc. manufactures and distributes sunroof systems and specialty vehicles.



# The Service Department

## Selling Service

**T**he service department is more than just a place to get a vehicle repaired. What we provide is a means to an end via a rather sophisticated selling process. We sell service, and we sell time.

What is going to make a customer come to your dealership's service department instead of the next one down the street? Can you sell him a better car? Not very likely. Can you give him a better price? Not very likely. Can you provide him with better service? Absolutely!

How can you provide better service? Regardless of the limitations you may have in your everyday operations, there is an element available to all service departments: salesmanship. This element is rarely used to its utmost and is a very precious commodity.

Selling is a state of mind which has to be instilled in your service writers. It includes not only sales related directly to dollars on repair orders, but also the quality you provide, the speed with which you act, the warranty you provide and the reliability you offer as a totally professional organization. It is a lot easier to sell on the repair order if the customer has confidence in your total organization. That is the single most important factor that service writers must bear in mind.

The first step in training service writers is to change the title to service salesperson. This new title reflects more accurately what the job entails: the person is selling your dealership.

Like most skills, selling is taught through theory and practice. As a service manager, I have often asked our sales manager to hold a sales seminar in our dealership in the evening for service salespeople. The course covers the basics of salesmanship, including reading body language, a T.O. system with other service salespeople and how to find the customer's "hot button" to make the purchase. The following is a synopsis of the course we present:

Selling service is much like selling cars only a bit more difficult, due to the negative attitude of customers when they

come into the service department. There are many ways to sell service, but the most successful are the ones that follow accepted sales procedures.

There are five steps to the basic sales cycle: prospecting, qualifying, presentation, overcoming objections and closing. You must take the prospect through all five steps—at least mentally if not physically—or problems will arise. Remember, customers are only concerned about what your service department can do for them.

Objections are a major area of difficulty for most service salespeople. The objections posed by the customer must be separated from the conditions. (A condi-

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**"The key is to listen. Remember that objections are opportunities for the professional."**

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tion is a reason given by a customer for not buying, such as no money or no credit.) Objections, properly handled, can be the stepping stones to a sale.

The key is to listen to the customer and guide him or her through the steps. Remember that objections are opportunities for the professional. The four steps to handle all objections are 1) listen—hear the customer out; 2) ask—ask the customer to clarify his objections; 3) direct—direct him to the answer; and 4) approve—approve the answer with him.

Remember that an objection often is a stall to keep from closing. The objection usually arises due to the prospect's lack of understanding and is a request for more information. Here is a typical scenario:

Customer: That costs a lot!

Salesperson: You're right, it does, but you need the repair done. We can cut corners, but we don't recommend it. Approve the repair order and we'll do the repair the way the factory manual suggests.

Customer: Well, I'm just checking prices.

Salesperson: That's a good idea. What is it you're shopping for? Quality, price, performance?

Customer: I have to think about it.

Salesperson: What exactly is it you want to think about?

Customer: Is that your best price?

Salesperson: Yes. (If customer replies negatively, then proceed.) But I can check with the service manager to see if he can do better.

Customer: I think I can get a better price elsewhere.

Salesperson: You may be able to. But you can't beat our service. We offer quality work that is fully warranted.

Customer: It still costs too much!

Salesperson: What is it that costs too much? Are you saying that we're asking too much for what we are giving? Or are you saying that you can't afford it?

Customer: (Asks how much a particular repair costs.)

Salesperson: (Lists everything that is going to be done and all the benefits of having it done at your dealership—such as personalized service, the warranty—and then gives him the price.)

Customer: I don't want to have it repaired until next month.


Salesperson: OK, but remember that it may cause more damage to the car if you don't have it done now. Also, there may be a parts price increase on the first of next month.

The only thing that limits objections is the imagination of the customer. It stands to reason that the only thing that limits the answers to objections is the imagination of the service salesperson.

To recap, remember that it is important to have all your skills in order at time of write up. Know your products, learn to listen and do it right the first time. □

This column is prepared for Automotive Executive by Ron Joffe, a dealership service director in Clearwater, FL. The opinions expressed are those of the author, and do not necessarily reflect those of NADA, NADA Services Corp. or Automotive Executive. All questions or comments pertaining to this column should be mailed to: The Service Department, Automotive Executive, 8400 Westpark Drive, McLean, VA 22102.





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# DEALERSHIPS

Today, more than ever, dealers regard the design of their facilities as a valuable sales tool, an essential element in product presentation and marketing. New attention is being paid to the role a well-designed facility plays in the sales process, especially in upscale dealerships where customers expect to be treated in a manner consistent with the product. In this special report, *Automotive Executive* talks with dealers and architects about the ingredients that go into a good design, including lighting, ease of use and, above all, planning.

## ASC UNDERGOES DRAMATIC FACELIFT



**M**ort Zetlin and Alvin Brooks, the owners of American Service Center in Arlington, VA, had an upscale image in mind when they set out to renovate their facility. To this end, they retained Richard C. Lessard, P.C., Architects of Washington, DC, and Eichberg Construction Inc. of Rockville, MD, to perform architectural and construction management services.

The project consisted of 5,130 square feet of renovation in the existing showroom area and the addition of 1,545 square feet of new showroom space and 2,670 square feet of executive offices and administrative area.

According to Lessard, his company's

approach to automobile dealership design focuses on key goals developed through interviews and programming sessions with the dealership owners.

At American Service Center, the first challenge was to open the existing segmented rooms to allow large expanses for automobile display. The original building was a series of small additions loosely connected in a one-story structure. The designers had to determine what portion of the original structure should be retained and what portion torn down to make way for a two-story addition that could tie the building together and create greater interior and exterior appeal.



# IP DESIGN



This appeal was achieved through the use of materials and form. Glass, stucco, brick and a stainless steel roof tie the building together and give it harmony.

To create a dramatic approach, a covered entrance canopy was constructed, which not only affords customers a sense of arrival, but also provides shelter from inclement weather.

Lessard also took into consideration the use of natural daylight to avoid color distortion in displaying American Service Center's Mercedes and Ferraris. The use of two-story glass and a sloped roof create an illusion of spaciousness, while tying the administrative functions on the second floor into the showroom in a

unique way. A continuous ridge skylight also increases height.

The construction phase of the renovation was completed within six months. The construction process went very smoothly, since the construction manager had been involved in the design process from the start.

An interior design that reflects the high quality and impressive design characteristics of the dealership's luxury automobiles was also developed. In addition to wall coverings and carpeting, materials include ceramic tiles in neutral earth tones to lend a sidewalk effect to the showroom. Extensive "landscaping" compliments the interior design.

The American Service Center is now embarking on another expansion, in the body shop. The project will provide an additional 8,000 square feet of space.

"While the building is only one of the many sales tools available to dealers," Lessard says, "it is important to remember that the dealer's physical plant is the first indication to customers of how they can expect to be treated. That first impression can make an important statement to prospective buyers.

"I feel strongly that working together, the team of owner, architect and construction manager can achieve a building design that creates an effective, natural sales tool." □



## DEALERSHIP DESIGN

### LIGHTING THE WAY TO PROFITS

By Tom Phillips

Often given only secondary consideration, lighting is an area that should be of prime importance to dealers. Dealers should be concerned not only about what it costs them to operate a lighting system, but also about whether that lighting system is fulfilling its main function—attracting customers and selling cars. Few other areas affect a dealer's P/L statement more than a properly engineered lighting system.

Through the years, lighting has seen many improvements. Development has progressed from incandescent stringers to quartz, to fluorescent, to mercury vapor and, more recently, to metal halide. Dealers have used all of these lighting sources over the years, and with each advancement, significant benefits were achieved.

By comparing the figures in Chart 1, you can see there are definite advantages for dealers to consider a more advanced light source such as metal halide when remodeling, expanding or building a new facility.

A common practice among dealers in the '60s and '70s was to use 1,500-watt quartz fixtures on the front line to accent the bumpers and hoods to give cars the sparkle that attracts customers. Even though by today's standards quartz fixtures are inefficient and obsolete, a tremendous number are still in use.

Many dealers are finally becoming

Chart 1

Light Source	Lumens Per Watt
Incandescent (500W)	21
Quartz (1,500W)	24
Fluorescent (1,500MA)	63
Mercury Vapor (1,000W)	63
Metal Halide (400W)	100
Metal Halide (1,000W)	110

Ray Massey of Ray Massey Honda, Edmond, OK, installed JW Lighting's JCLA Front Line Assemblies spaced 40 feet apart on 28-foot poles, a system that provides high-level uniform lighting for his dealership.

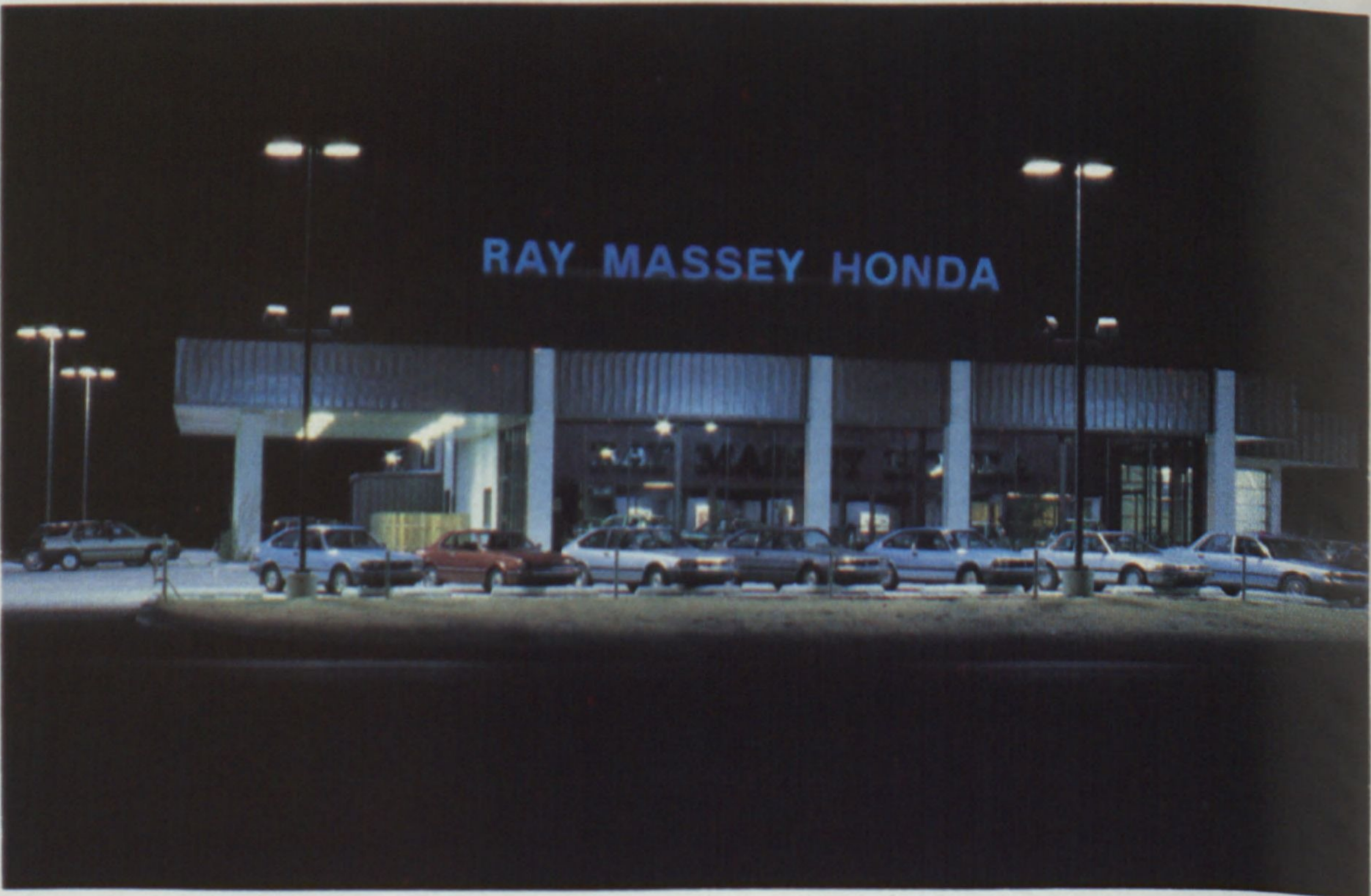


Chart 2

Light Source	Wattage	Lumens Per Watt	Total Light Output	Annual Op. Cost	Average Lamp Life
Quartz	1,500	24	36,000L	\$262.80*	2,000 Hours
Metal Halide	400	100	40,000L	\$ 70.80*	20,000 Hours

L = Lumens

\* See worksheet

\*Conversion Comparison Worksheet

	Present	Proposed
A. Lamp Type	1,500-watt Quartz	400-watt Super Metal Halide
B. Number of Luminaires	1	1
C. Lumen Output Per Fixture (for old existing fluorescent fixtures, use 50% of new lamp lumens). See Lamp Data	35,800	40,000
D. Total Lumens (Line B x Line C)	35,800	40,000
E. Wattage Per Luminaire (including ballast wattage, i.e. "Line Watts")	1,500	400
F. Total Wattage (Line B x Line E)	1,500	400
G. Total Kilowatts (Line F - 1,000)	1.5	.4
H. Burning Hours Per Year (hours of operation) 6 hours x 365 days	2,190	2,190
I. Annual Energy Cost (Line G x H x 8¢**KWH rate)	\$262.80	\$ 70.08

\*\*Check with your local power company for cost of electricity per kilowatt hour (KWH)



## DEALERSHIP DESIGN

aware that there is a much more efficient way to accent their automobiles. Metal halide is ideally suited for accent lighting—not only is it the most efficient light source, but it produces a sharp, crisp and true white light that brings out the colors and sparkle of new cars and attracts customers.

By reviewing the comparison in Chart 2 and following the calculations in the worksheet, you can see how much a dealer can save in annual operating costs by converting from a quartz lighting system to a metal halide system.

Energy savings are substantial, lamp life is 10 times longer and more light is produced for a lot less money. The comparison shown is for just one fixture—imagine the savings a dealer could realize if he were to convert 50 fixtures. □

*Tom Phillips is national sales manager for JW Lighting Inc. in Houston, TX.*

### “MARKETECTURE” FINE-TUNES IMPACT

**T**oday, a dealership's physical plant is no longer merely a shell to house the sales process, but can be regarded as a sales tool in and of itself. More and more dealers are paying attention to the role the dealership building and its environs play in making a sale.

One consulting company, FPM/Miami in Miami Springs, FL, has carried this idea to fruition with its “Marketing from the Ground Up” program. The program began as a marketing response to dealer needs, says Joel B. McEachern, the firm's president. “The program's primary objective has been to measure and ultimately influence customer perceptions—particularly upscale customers—toward the dealer's sales and service setting.”

To help dealers improve those perceptions, FPM/Miami formed an association with Zyscovich & Grafton Architects to

conduct architectural site analysis. Together, they work to develop dealership design layouts (interior and exterior) that reflect the sales and service needs of upscale consumers and respond to modern dealership management practices.

This expansion enabled FPM/Miami to behaviorally examine the “user friendliness” of a dealer's physical plant and led them to coin the word “marketecture” to define their marketing approach to architectural design.

According to architect Martin Marquez, program associate and president of International Architects, “The program's marketecture approach will make stereotypical designs and layouts unacceptable. Architecture must necessarily consult the marketing and behavioral sciences in order to satisfy the special needs of the consumer, whatever the level.

“This is particularly true of the luxury class,” he continues. “They are more educated, sophisticated and communication-oriented. Their expectations impose equally sophisticated demands upon the architect and his designs. As a result, commercial designs are becoming increasingly extroverted. Space relationships are becoming increasingly complex and must be sited in order to transfer information quickly, without sacrificing content or valued personal contact.”

Marquez explains that this elite buying class sees function as a departure point. “As they feel their automobiles must do more than transport, so must dealerships do more than sell and repair cars,” he says. “These consumers have an expectation of consistency between their professional lives and the dealer environment.

“Collectively, these market-identified user needs are redefining space—its function, efficiency and shape—and, in the process, commercial architecture's design and utility,” he concludes.

“Marketecture,” says A.T. Weinstein, FPM/Miami's director of marketing and promotion, “is a major-league approach to the familiar problem of getting and keeping customers. Today's consumer, particularly the upscale market segment,

expects more from and seeks greater access to the dealer. The marketing and design components of our program provide physically attractive and marketing-directed dealer service centers which increase customer satisfaction. This results in expanded centers of profit and a substantially sharper marketing edge.” □

### EXPECT THE UNEXPECTED

**A**fter digging through layers of limestone and a thicket of red tape, Al Shockley moved his Honda dealership into a new home in February, one mile south of his VW store in Frederick, MD. This marks the third facility Shockley has been involved in building from the ground up, a process he says “gets harder all the time.”

Among the problems Shockley faced this time was a deep limestone deposit which took the construction crew four extra weeks to remove. “We did test borings before breaking ground,” says Shockley, “so I knew we had some limestone. But it turned out twice as bad as we thought. It ate up expensive time.”

Trouble also emerged with his access road. When Shockley went to obtain a building permit, he discovered the street wasn't up to state standards. “The county apparently decided 12 years ago not to finish the road until the area began to develop. I was looking at \$60,000 I hadn't anticipated to get it up to snuff.”

Shockley bargained with the county and a neighboring landowner to split the cost of grading and paving the road, since they'd be sharing its use. Instead of \$60,000, he paid \$20,000. In addition, Shockley covered the cost of widening the highway leading up to the entrance to add deceleration and acceleration lanes. The one consolation in an otherwise expensive venture? Shockley received permission from the county to rename the short access road Shockley Road.



## DEALERSHIP DESIGN

Shockley's obstacles continued even as the dealership neared completion. The sign he planned to erect outside the dealership violated county standards, which limits heights to 25 feet, so he applied for an exemption. The request was denied. "I wanted to put up a 34-foot sign, but what can you do? I'll live with 25."

The new Shockley Honda covers 18,000 square feet on two floors. Shockley went with the two stories, he says, to give the building more flexibility. "Bankers like that," he says, "because the building isn't limited to just one use."

R.G. Berry, a specialist in dealership design, came up with the concept for Shockley Honda. Berry spent a week at Shockley's existing dealership, observing traffic and work flow. His design was then turned over to an architect, who developed it into a set of working plans. "I had complete blueprints in two months," Shockley says. "If I had hired an architect to do the whole thing, it would have taken at least three to six months. And this way, we have a design that fits our needs."

Hiring the contractor was handled by Shockley himself. Instead of taking bids,

he negotiated with contractors directly, by looking at the costs of other jobs they had done. According to Shockley, "There are too many unknowns in the bidding process. It costs time and money."

Shockley settled with a local general contractor that has completed six dealerships in addition to a wide variety of other jobs. He says he looked for good reputation and a solid volume of business. "This means a lot to subcontractors," he says. "They know if they do a good job, there's going to be more work in the future. And that means they'll deliver."

Shockley Honda cost \$1.6 million to build. Land ran about \$3 per square foot, for a 6.5-acre site. The dealership takes up only half that space, Shockley says, and he plans to develop the rest later. Though the dealership sits on an undeveloped stretch of Buckeystown Pike, 2½ miles from downtown Frederick, Shockley thinks it won't be long before development moves out to meet him.

"When I bought the land for my VW store, it was a cow pasture. Now there's a huge shopping center, several other dealerships, a dozen restaurants and a couple of hotels all within a half mile.

People questioned why I'd build in the middle of nowhere. But I was confident the area would develop."

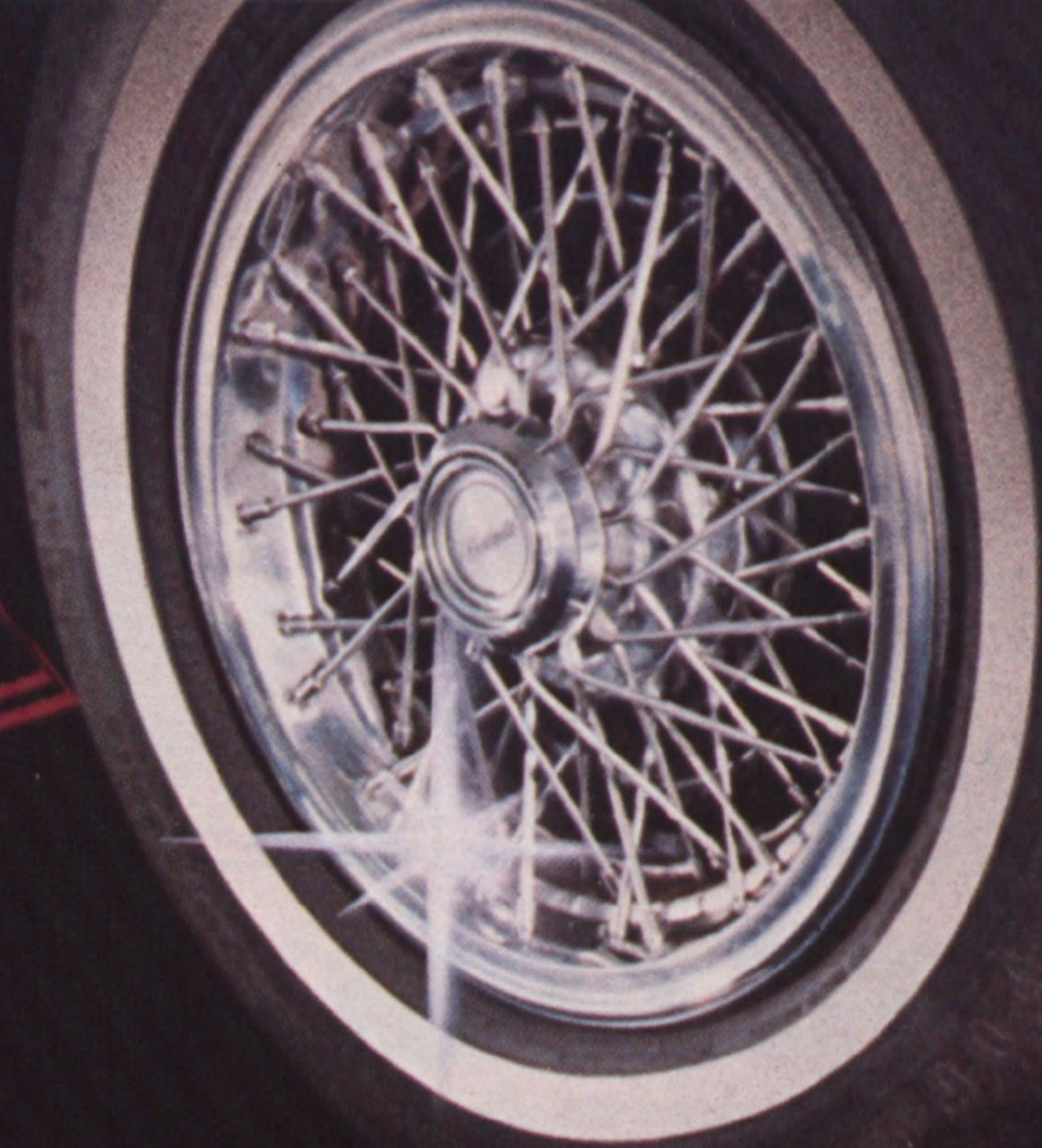
Shockley's dealerships are within minutes of two interstate highways. The VW store is located on one side, in a rapidly developing area, while the Honda store sits on the other, still surrounded by empty fields. The interstates make both stores easily accessible from Baltimore and Washington, two key markets.

At his old Honda store, crammed into the 10,500-square-foot VW facility and a 6,500-square-foot storefront rented from an adjacent shopping mall, Shockley sold an average of 45 Hondas per month. In the new facility, he hopes to double sales, service and parts volume. "My banker and I are counting on it," he quips.

To other dealers considering new facilities, Shockley advises they solicit as many opinions as possible. "Talk to your factory, designers, architects and, most importantly, your own staff. They are the ones who have to function in the new setting, and you'd be surprised how many good ideas they have. Take all the advice you can. After all, once the brick and mortar set, it's hard to move them." □







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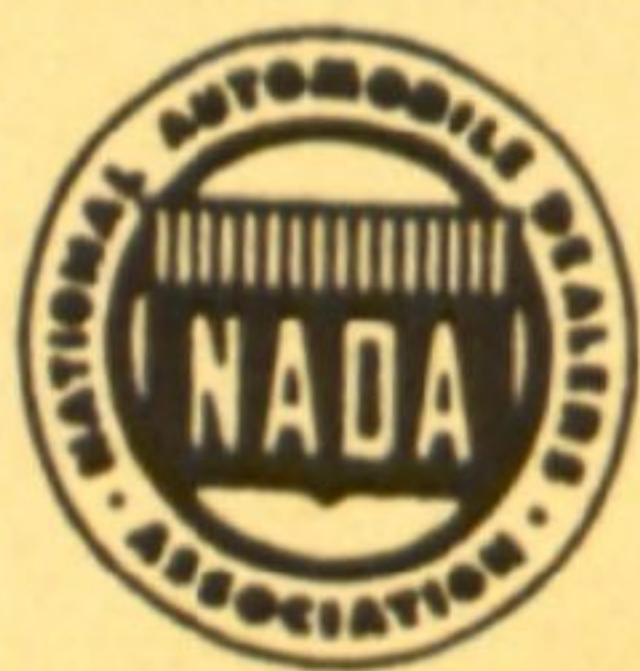
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This policy results from our genuine concern for the safety and well-being of the people who are part of our dealership family.



**BUCKLE  
UP**

This colorful 8½ x 11-inch poster is now available from NADA to promote employee safety belt use.



# TAKE THE PLEDGE

**Launched last year,  
NADA's safety belt  
pledge program has  
already been credited  
with saving three  
lives.**

**A**ll 58 current NADA directors and 10 former directors have pledged support as "Founding Signators" in an NADA-sponsored program to encourage safety belt use among dealership employees.

NADA encourages all its members to participate in the program. A colorful 8½ x 11-inch poster (see facing page) is now available to promote the policy. The poster explains the dealer's commitment to safety belts and spells out the requirement that employees wear safety belts "when traveling in cars, vans or trucks provided by this dealership, on road tests, demonstration rides and on business-related trips in personal vehicles."

Already, the policy has been credited with saving three lives. During a February ice storm in Philadelphia, a car driven by an employee of Faulkner Oldsmobile-Mitsubishi skidded out of control and crashed into the wall of an exit ramp on the Schuylkill Expressway. The employee, who previously never wore a belt, was

securely fastened, as were his two passengers. All walked away from the crash uninjured. They owe their lives to the employee safety belt program initiated by Faulkner at the beginning of this year.

"Thank goodness we started the program before the crash," says Faulkner, NADA's eastern Pennsylvania director. "Otherwise, he wouldn't have been wearing his safety belt."

"At first, employees followed the program, but not wholeheartedly. The crash really reinforced the importance of safety belts. It doesn't take long before buckling up becomes a habit."

If you'd like to adopt the NADA safety belt policy at your dealership, please write Louis V. Priebe, Director of Public Relations, NADA, 8400 Westpark Drive, McLean, VA 22102. Two copies of the policy poster will be sent to you without charge. In addition, NADA also can provide implementation ideas, including employee meetings, pledge cards and recognition programs.

## SAFETY BELT FOUNDING SIGNATORS

**The Founding Signators on the NADA Safety Belt Honor Roll are listed below. Names of new dealerships will be added to the Honor Roll in future editions of *Automotive Executive*.**

Herbert G. Adcox (TN)  
Heyward Allen Sr. (GA)  
Frank R. Anderson Jr. (NC)  
David A. Banks (NH)  
Richard M. Barrett (OH)  
Ernie Bates (KY)  
Jerry Bielfield (MI)  
C. William Briggs (MN)  
C.M. "Bud" Brooks (AZ)  
Robert M. Burd (NJ)  
William D. Cammarano (MA)  
James T. Caplinger (AR)  
Howard J. Christensen (MN)  
Jim Clark (KS)  
Willard E. Cook Jr. (WY)  
Joseph V. Cooper (NY)  
A.M. Crawford Jr. (AZ)

H.E. Derrick Jr. (VA)  
William S. Dodge (ME)  
William C. Doenges (OK)  
Frank A. England Jr. (MS)  
Henry Faulkner Jr. (PA)  
E. Clayton Gengras Jr. (CT)  
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Robert C. Graham (PA)  
C.C. "Pop" Gunn (TX)  
J. Walsh Hanley (HI)  
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James K. Lust (SD)  
Robert P. Mallon (WA)  
Harry Martens Jr. (DC)  
James H. McDonald (NE)  
Dennis C. McNamara (FL)  
Wendell H. Miller (NY)  
Robert E. Moody (WI)  
Robert H. Oakland (MT)  
Joseph E. O'Daniel (IN)  
Wallace D. Orvik (ID)  
Jimmy C. Payton (TX)  
Jack T. Price (NM)  
Robert F. Pulliam (SC)  
Stephen M. Qua (OH)  
William F. Reineke Sr. (OH)  
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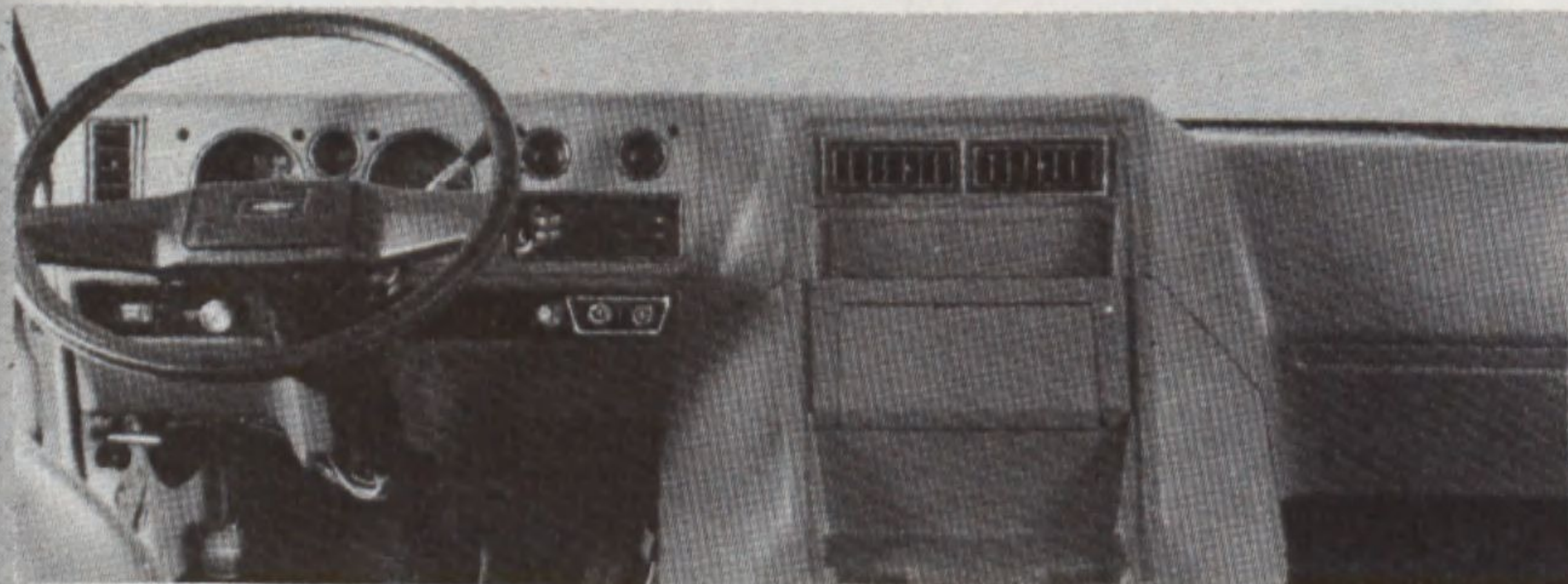
Denzil W. Rose (HI)  
Jan W. Rozendaal (VT)  
S.J. Schumacher (ND)  
Edward L. Scuncio (RI)  
Alfred P. Shockley (MD)  
Richard F. Smith (WV)  
Richard R. Smith (MO)  
Chester L. Swanson (MI)  
William J. Symes (CA)  
Hugh Tighe Jr. (CO)  
J. Frank Terrell Jr. (LA)  
Ron B. Tonkin (OR)  
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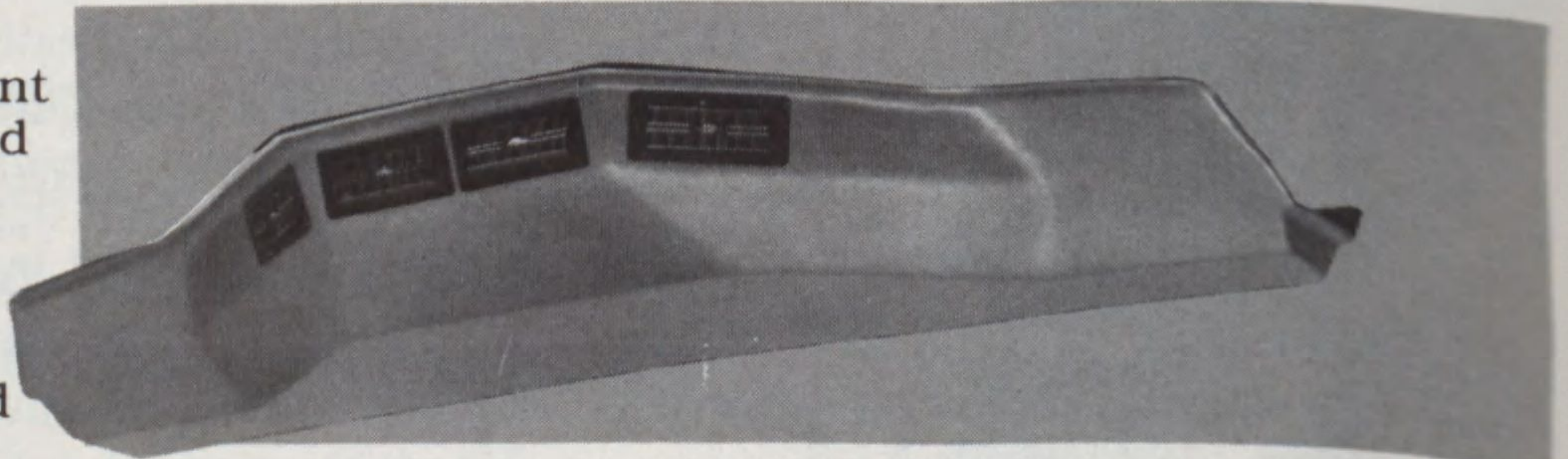
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# HONDA

## Makes Success Look Simple

By Gary James

**W**e're not gunning to become the number one import seller," says American Honda's Cliff Schmillen about the company's plans to expand sales through its new Acura network. "We went from the back of the pack to second place by steadily growing and improving. We're not in a race. If we reach the top, it will just happen."

Schmillen, American Honda's senior vice president of sales, talked to *Automotive Executive* and NADA's Maryland Director Al Shockley in an exclusive interview conducted at the association's 68th annual convention in San Francisco. During the interview, Schmillen reflected on Honda's '84 success and explained the Acura philosophy.

Last year, "the best in our history," says Schmillen, was filled with records for American Honda. The company sold 508,000 cars—the first time it topped half a million. Sales of U.S.-built cars doubled to 133,601. The motorcycle and power equipment divisions (lawnmowers, generators, outboard motors and other power products) also set records with sales of more than 800,000 and 400,000, respectively.

The figure Schmillen is proudest of, however, is sales per dealer. Last year, Honda's 831 U.S. dealers sold a record average of 610 cars apiece. Not a bad way to celebrate the company's 25th anniversary in the U.S., he says.

"We've been near 550 before, and so have Toyota and Nissan," Schmillen says. "But 610 is a helluva lot of cars. It shows that our dealers are moving ahead and improving, too."

"We have the strongest dealers in the industry," he adds. "They're aggressive, enthusiastic—everything we want."

This year sales show no signs of slow-

**"We're a step ahead of everyone in small cars, and we're getting into the next bracket of cars at exactly the right time."**



ing. In January, Honda dealers sold 49,304 cars, up 14 percent from the same period in 1984.

"We expect a great year," Schmillen says. "Interest rates have slowed, and confidence in the economy looks strong."

At press time, decisions remained to be made about whether or not the Japanese would continue voluntary restraints on cars exported to the U.S. Because of that uncertainty, Schmillen refrained from projecting U.S. sales figures for Honda in 1985. He did say, however, that even if the restraints came off, Honda's sales increases will be moderate, because production—both domestic and foreign—is near capacity.

A \$240-million expansion project at Honda's 5-year-old Marysville, OH, plant should ease U.S. dealers' product shortages, says Schmillen. When the new second assembly is at top speed in 1988, Honda's domestic capacity will double to 300,000 cars per year.

"This puts a lot more product into the pipeline," Schmillen says. "We expect the restraints to be relaxed or abolished, but we're moving ahead regardless, by increasing our ability to source cars at home."

The plant currently produces 3- and 4-door Accords exclusively. Starting next year, Civics also will roll off the line. Without the Marysville plant, Schmillen says, Honda would have had difficulty selling its jazzed-up Civic line in the U.S. during 1984. As it turned out, Honda sold 184,846 Civics, including more than 47,000 CRXs.

In addition to its Marysville expansion, Honda is building a \$30-million motorcycle engine plant in Ohio and a \$10-million lawnmower plant in North Carolina.

According to Schmillen, Honda Motor Co.'s willingness to invest in the coun-



tries in which it does business is a big reason for its success. Today, Honda has 44 overseas factories for production or assembly in operation around the world, in countries such as New Zealand, Indonesia, Malaysia, Italy, Yugoslavia, Nigeria and Brazil.

"Honda doesn't just put up a factory," Schmillen says. "Management makes an effort to understand the native culture—the way people think and work. We employ as many local workers as possible and encourage them to participate in decisions. Honda realizes its prosperity is bound up with the prosperity of the countries it serves."

American Honda is in the middle of a construction program of its own. The company's corporate offices are currently scattered in 25 different buildings across the Los Angeles metro area. By 1987, American Honda plans to move all activities to one 70-acre site in Torrance, CA, where it is putting up a corporate headquarters building, a new regional parts and sales center and facilities for Honda Research of America. "We're bursting at the seams," says Schmillen. "It will be a great improvement to be working together at one site."

As in his current set-up, Schmillen's office will have no door. "I like being accessible. If I need to talk to someone, I don't want to call them up. I'd rather let out a yell."

## Homegrown Design

American Honda's research arm, Honda Research of America (HRA), is responsible for two of the industry's hottest compacts: the CRX and the Civic Hatchback. *Motor Trend* recognized their design innovation by naming the CRX "Import Car of the Year" for 1984. In an unprecedented sweep, Honda's Prelude and Civic Hatchback took second and third place in the import category.

"The CRX is a giant step in a whole new direction," said *Motor Trend*. "In a fine field, the 2-seat Honda represents original, unexpected thought."

Schmillen says the CRX is "surprisingly similar" to the concept created by HRA's

**"Our dealers recognize they have to move along and improve, because we move along constantly. They either keep up, or they get left behind."**



design team. "The germ of the idea came in the late '70s after our second energy crunch. We realized there was a need for a new high-mileage gas compact that's fun to drive. The idea hit the drawing board about three years ago, and rolled off the assembly line two years later." At 49 mpg city and 54 mpg highway, the CRX is EPA's 1985 fuel economy leader.

HRA, Honda's new research arm in California, provides valuable input to R&D staff in Tokyo, Schmillen says. "Designers and engineers on both sides of the Pacific work closely together," he says. "It's a classic case of East meets West. Sketches, ideas and clay models travel back and forth, and through this interaction, tomorrow's Hondas are shaped."

Honda's track record in designing cars for the U.S. market, Schmillen says, is "backed up by the fact that we've never had a disappointing seller. There aren't any duds in the closet. Styling gets better all the time. And I think we build the best engines in the world."

As far as future products, Schmillen says dealers may see a 2-seater sports car to compete with Toyota's MR2 and Pontiac's Fiero. "We've researched this car for quite some time. While I can't give details, we're exploring the possibility."

What about minivans or light trucks, vehicles Honda manufactures and sells in Japan? Schmillen says the company has no plans to export such products to the U.S., preferring to specialize in passenger cars. "The light truck market is so competitive, we have no reason to jump in that fray," he says. "A minivan, though, is a different story. I've wanted one for 10 years. If we had the production capacity, we'd probably have one. But we need all we have for passenger cars."

Schmillen says the appointment of Yoshihidi Munekuni, director of Japanese domestic auto sales and international product planning, as much as he'll be missed at American Honda, opens up another line of communication with Japanese R&D. "Moon" was executive vice president in charge of auto sales," Schmillen says. "He knows this market inside out. Having him in Japan



is a real plus, because he relates so well to what we're doing here."

### Inside Acura

What American Honda is working on right now is its new Acura division, a separate network aimed at the upscale market. Despite press reports to the contrary, Schmillen says, Acura is proceeding "right on schedule." This spring, the company starts appointing dealers. It expects to launch Acura with 40 to 50 major-market dealers in April 1986.

First-year sales are targeted at 45,000 units. Eventually, Schmillen says, Acura will grow to 500 to 600 dealers, selling 250,000 to 300,000 cars per year.

Acura will initially sell an executive class sedan, code-named HX, and a smaller hatchback series designed to replace the Quint, which Honda sells in Europe and the Far East. Acura may also be used for upscaled cars from Ohio.

In its current configuration, Quint is slightly smaller than the Accord but larger than the Civic. The new-model range, known as Integra, will include hatchbacks and sedans and sell in the \$8,000 to \$10,000 range.

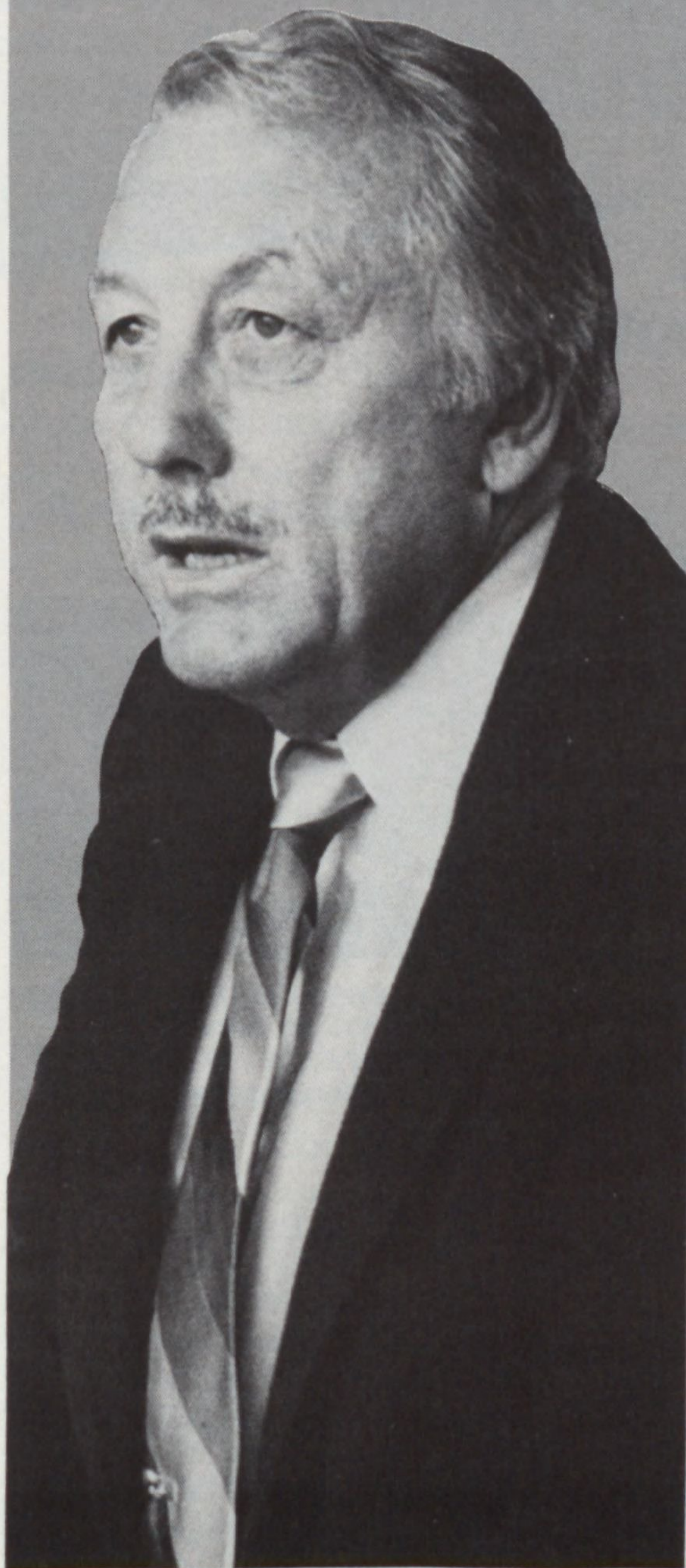
The XX car, a design collaboration between Honda and British Leyland, goes into production at the end of this year. Each company will produce its own version. The XX features flush glass and other aerodynamic styling akin to the Audi 5000 and will sell from \$15,000 to \$18,000. Two engines are being developed: a 2-liter-plus V-6 and a twin-cam, 16-valve, 4-cylinder.

Schmillen says Acura dealers will attract a different customer than Honda. "People buy Hondas for economy, value and fuel-efficiency. Acura stands for performance, sophistication, high-tech luxury and comfort. Customers looking for those features don't visit Honda dealers, and I don't expect they ever will.

"Honda doesn't attract many Mercedes, Volvo, BMW or Audi buyers. Acura will."

To keep identities distinct, American Honda asks Acura dealers to establish separate facilities for their products. Depending on locale, Honda and Acura

**"Acura stands for luxury, comfort and performance. Customers looking for those features don't visit Honda dealers, and I don't expect they ever will."**



franchises must be at least 10 miles away from each other, says Schmillen. Only Acura dealers will qualify to service Acura cars. And no Acura dealer will be permitted to dual on the same site. "If we wanted to dual," Schmillen says, "we'd dual Acura with Honda."

Corporate and field activities will be kept almost as separate. Acura will have its own sales and service field offices, as well as separate corporate hierarchy. Heading up the new division is Ed Taylor, former senior manager of auto distribution. Acura also will have its own advertising and public relations functions. Only near the top of American Honda, at the desk of Schmillen and a few lieutenants, do the two divisions merge.

American Honda's requirements for the new division is creating spirited competition among dealers, Schmillen says. "They recognize they have to move along and improve, because we move along all the time. They either keep up or get left behind."

General Motors and Ford also have formed new divisions to market new products separately from traditional dealer networks. Does Schmillen think other competitors may jump on the bandwagon? "Who knows?" counters Schmillen. "In our case, we needed a new distribution system in order to expand. Honda dealers already have three families of cars to sell and service. We didn't want to dilute their efforts by asking them to take on two or three more. We want things simple."

Schmillen agrees competition in the U.S. market is heating up, especially in small cars. "Hyundai and Yugo are coming in with inexpensive, entry-level cars. General Motors is placing its small-car future on Saturn. All I can say is I believe we'll remain just as successful—if not more so—in the future.

"We're a step ahead of everyone in small cars, and we're getting into the next bracket at exactly the right time." □

*Gary James is the managing editor of Automotive Executive magazine.*



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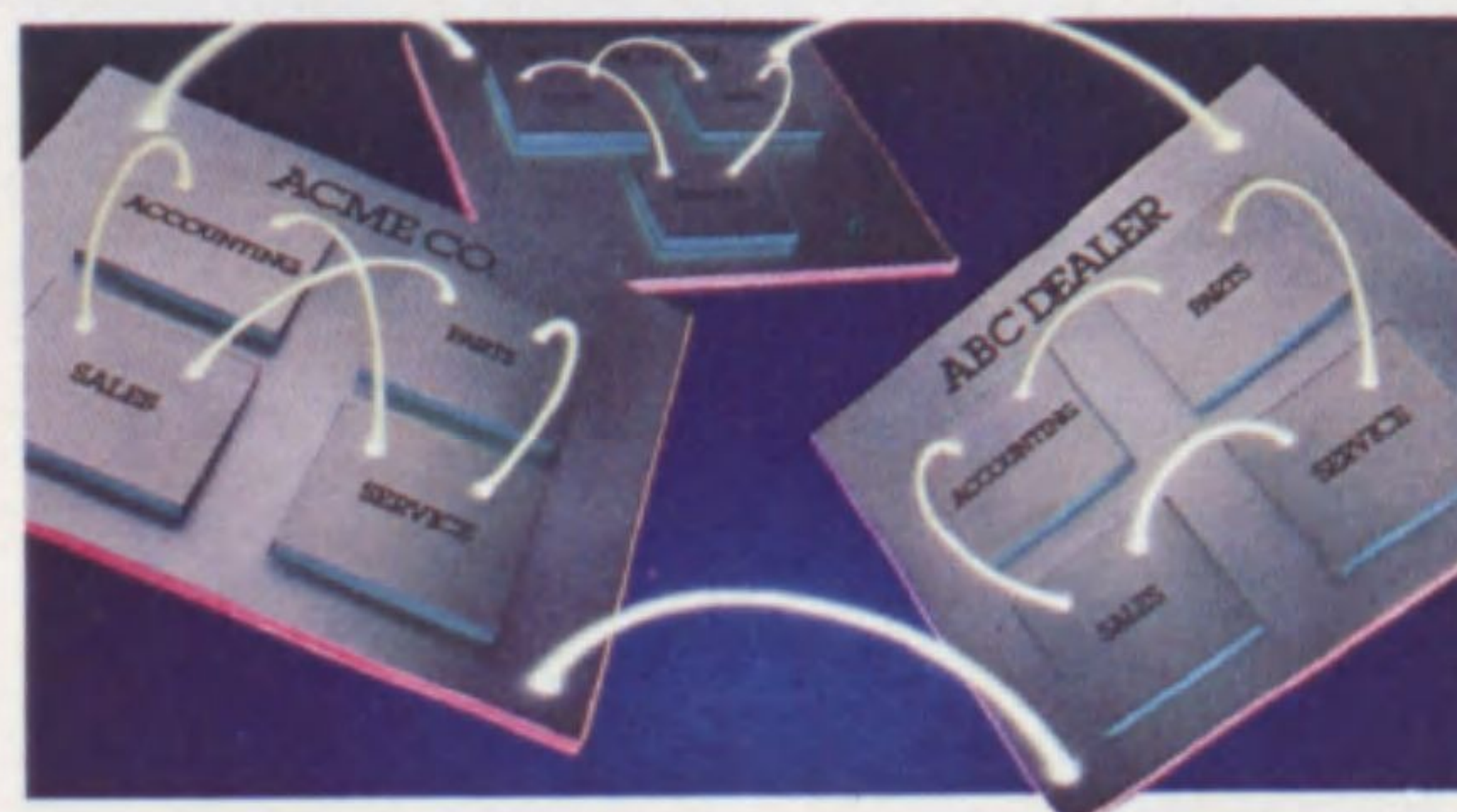
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PULL-OUT AND SAVE

# BODY SHOP UPDATE

By Gerry Donohue

## MARYLAND DEALER TURNS LOSS LEADER INTO PROFIT

It was more of a headache than anything else," says Bill Belew of the old body shop at Covington Buick in Silver Spring, MD. "It never did much more than break even or lose a little."

Two years ago, however, Belew, the general service manager, and Barry Covington, the owner of the suburban Washington, DC, store, decided to revamp the body shop and turn it into a major profit center.

First, they expanded it. They found a building near the store, which, at 10,000 square feet, was considerably larger than the old body shop. They also hired an additional body shop man, bringing the total labor force to eight. And then they followed through.

"Profits come in direct proportion to the time, energy and money the dealer puts into the body shop," Belew says. "If the dealer wants it to happen, he can make it happen."

In speaking about body shop profits, as he did at the recent NADA Convention in San Francisco, Belew always returns to dealer commitment.

"One common thread in all successful

body shop operations is a positive dealer attitude and a commitment to that business," Belew says. "Typically, many dealers still look upon the body shop as a support operation for new-car sales and as a customer convenience. The words 'support' and 'convenience', however, soon become euphemisms for 'loser'. The independents in the body shop business are in it to make a profit. You can't really compete if you have only a partial or lukewarm commitment."

### Making a Capital Commitment

Dealers getting into the body shop business or retooling an outdated body shop must have more than a lukewarm commitment—the capital investment is too significant. To properly equip a modern body shop can cost as much as \$150,000.

With today's unibody cars, a bench system is a necessity. In addition, a well-equipped body shop has to have paint stalls, preferably a down-draft system, which significantly reduces drying time. Belew is planning to buy one for Covington, a capital investment of close to \$50,000.

"The commitment in dollars is very, very real," he acknowledges. "But once you've made it, and if you have the right personnel, the body shop can be a primary profit center."

Personnel who know what they are doing and how to use the equipment correctly are vital for a profitable body shop.

"Auto body repair has become more a matter of geometry than metal banging,"

Belew says. "High-tech equipment will be of little value with low-tech personnel."

### Hiring A Seasoned Manager

And in the body shop, perhaps more than anywhere else in the dealership, a good manager makes the difference between profit and loss.

"You need a body shop manager who is a manager, not just a foreman," Belew says.

In the past, body shop managers were often technicians who worked their way up because of technical skills. They knew how to work with cars, but not necessarily with people. In today's market, the person who runs the body shop has to know more about people and paperwork.

"The body shop manager has to write estimates, deal with the insurance companies and manage mechanics and materials," Belew says.

### Working With Insurance Companies

In today's market, dealing with insurance companies may be the body shop manager's most important task.

Insurance companies, in fact, are the shop's primary customers. They pay the bills. If the body shop maintains a good relationship with the insurance companies, business and profits can come its way. If not, . . .

"The insurance companies maintain a tight rein, some say a stranglehold, on the collision repair business," Belew says. "If you intend to get into or stay in



# BODY SHOP

the body shop business, you have to play by the rules of the insurance companies."

By playing by the rules, Belew means working within the paperwork bureaucracy the insurance companies have created. Insurance companies don't want to cheat or withhold payment from the body shop, but they demand all forms be complete before they pay. Belew says that almost every time he has a problem with insurance companies, it's because one of his employees failed to properly complete paperwork.

That is not to say that just because it plays by the rules, the body shop will automatically score huge profits.

"The insurance companies decide how much profit you are going to make," Belew says. "And let's just say that your profit is not high on their list of priorities."

Belew believes that insurance company rates are artificially low and that they don't pay enough for materials. They allow for a profit, but it is up to the body shop to maximize that allowance.

## Keeping Tabs on the Budget

"To a great extent, body shop profits come by watching the pennies," Belew says. "They come a nickel at a time."

At Covington Buick, Belew instituted a strong and consistent materials management program that turned a \$2,000 per month loss in misused and mismanaged materials into a \$2,000 per month profit. That is a \$4,000 swing just from making sure lids on paint cans are tight and that all the solvent in each can is used.

For the dealership, the body shop should be seen as an additional profit center and as an important one. In 1984, the first year after expansion, Covington Buick's body shop profit doubled over 1983. Belew expects profits to double again in 1985.

In 1984, Covington's body shop increased gross sales from \$530,000 to more than \$700,000. Belew hopes to hit \$1 million in gross sales in 1985. He says if the first few months of the year are any indication, the body shop should make it.

He also believes that the \$1-million mark may be just about the upper limit

for his body shop, given its size and potential. He cautions against expanding too much, too fast. A body shop can grow to a point where it is no longer busy enough to pay for the extra investment.

Conversely, there is a point that all body shops have to reach to become profitable—the point at which they get the most out of personnel and equipment.

In a recent NADA survey, that break-even point seemed to be around \$300,000 to \$400,000 in gross sales. Below that, most body shops, no matter how well-run, probably will be losers.

Like every operation in a store, the body shop must be carefully managed with an eye toward profitability. Through hard work, from the dealer to the body shop manager to the metal workers and painters, the body shop can turn a healthy profit each year.

"I know people are looking for a single, two-line secret about the way to success, but there is no yellow brick road to body shop profitability," says Belew. "It's just knowing the business and watching expenses." □

*Gerry Donohue, NADA Newsletter editor, is a frequent contributor to Automotive Executive magazine.*

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Milwaukee, WI 53227  
(414)321-7000

*L. I. Lewis, vice president/general manager  
F.B. Nicholson, manager, sales and marketing  
F.J. Fritchen, manager, marketing*

Seattle, WA (206)882-2880  
Los Angeles, CA (714)997-9830  
Dallas, TX (214)258-0454  
Atlanta, GA (404)425-2003  
Cleveland, OH (216)946-1024  
New York, NY (201)469-0882

Collision repair equipment: unibody and frame repair systems; anchoring systems; pulling systems, universal and dedicated measuring systems; rack systems; collision repair accessories; MIG welding equipment and accessories; direct drive air compressors; lifting equipment; battery service equipment. **Circle #39.**

## Bee Line Co.

6231 State Street  
P.O. Box 709  
Bettendorf, IA 52722  
(800)553-2010

*Charles H. Peterson, president  
Bud Olson, vice president, sales  
John Finkes, sales manager  
Don Reid, R&D manager*

U.S. and Canada direct sales and service organization

The Beeliner 12000 is built for the shop that handles all sizes of foreign and domestic automobiles from small cars through vans, pickups and one-ton trucks, with unibody or frame type construction. Efficient operation with 360-degree access by three pulling towers, utilizing the exclusive multi-pull concept of the tilting towers. **Circle #40.**

## Binks Manufacturing Co.

9201 W. Belmont Ave.  
Franklin Park, IL 60131  
(312)671-3000

*Burke B. Roche, president  
Ernest F. Watts, vice president, marketing  
Ralph Neuman, general manager, refinishing division and national accounts*

12 field locations across the U.S.

Spray guns/drip-proof and agitator cups/automotive spray booths: car, truck, bus/infrared



# The Chief E-Z-Liner.

## More productive no matter how you stack it.

There is no substitute for productivity in your shop. Combine regular traffic flow with precision equipment that tackles and completes more jobs right the first time and productivity climbs. *That is why more and more people, whose business involves precision collision repair, turn to the one system that does it accurately, universally and profitably...E-Z-Liner. There's no other like it.*

When you understand the capabilities and technological principles found only in Chief E-Z-Liner systems, then you will know why *more repairs are done on E-Z-Liners than any other equipment of its kind.*



### *Chief E-Z-Liner.*

Top productivity, accuracy, reliability. It's a total measuring and collision repair system, backed by training centers close to you and second to none.

Leave no doubt in your mind. For more information on the total measuring and collision repair systems for everything from the most compact unitized body vehicle to one ton pickups, contact Chief Automotive Systems, Inc., or call Toll Free

**1-800-445-9262**

(In Nebraska, 308-384-9747)

**CHIEF**

AUTOMOTIVE SYSTEMS, INC.



Precision products  
for the work you do.

Chief Automotive Systems, Inc.  
Box 1368 Grand Island, NE 68802-1368

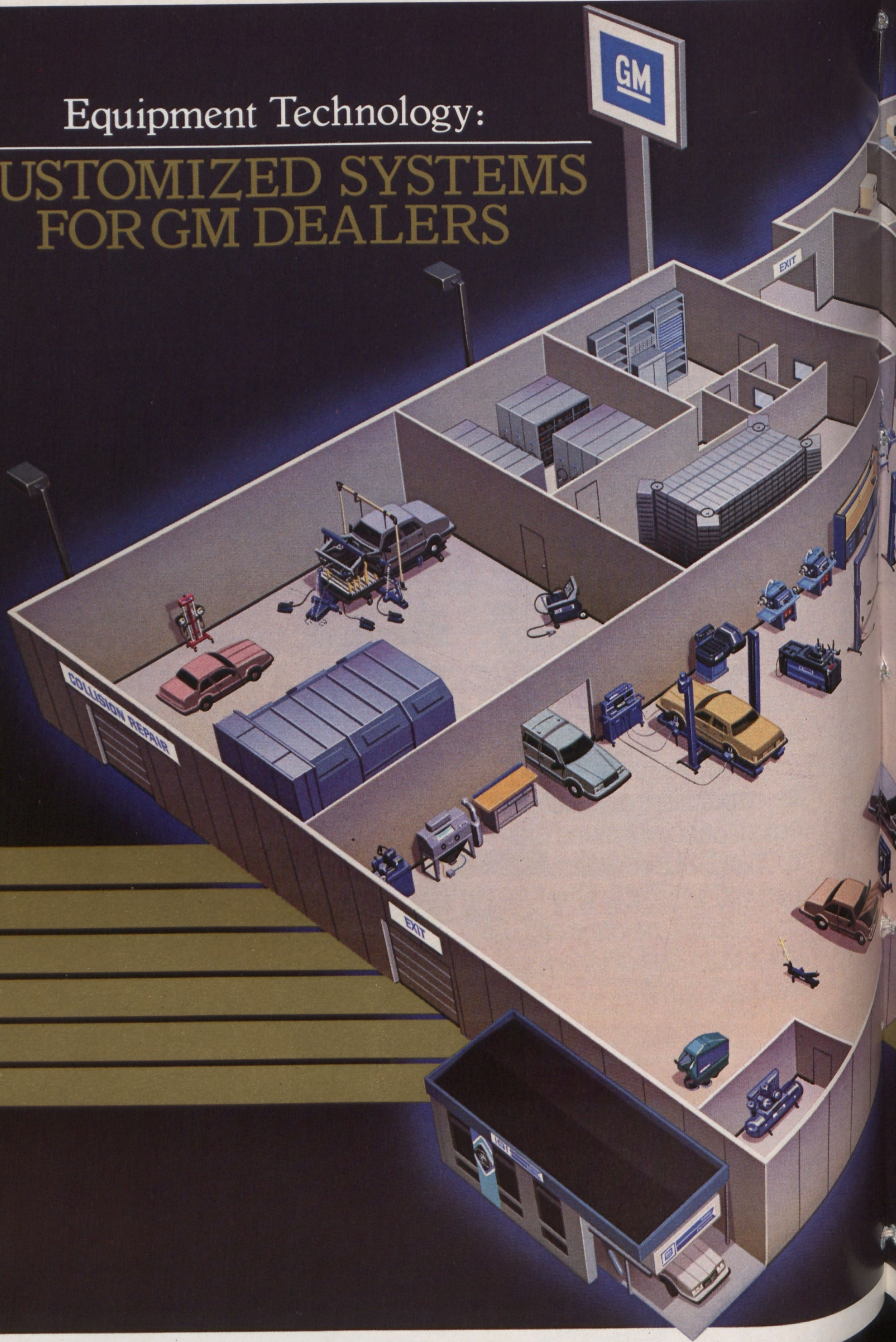
CHIEF

**E-Z-Liner II**

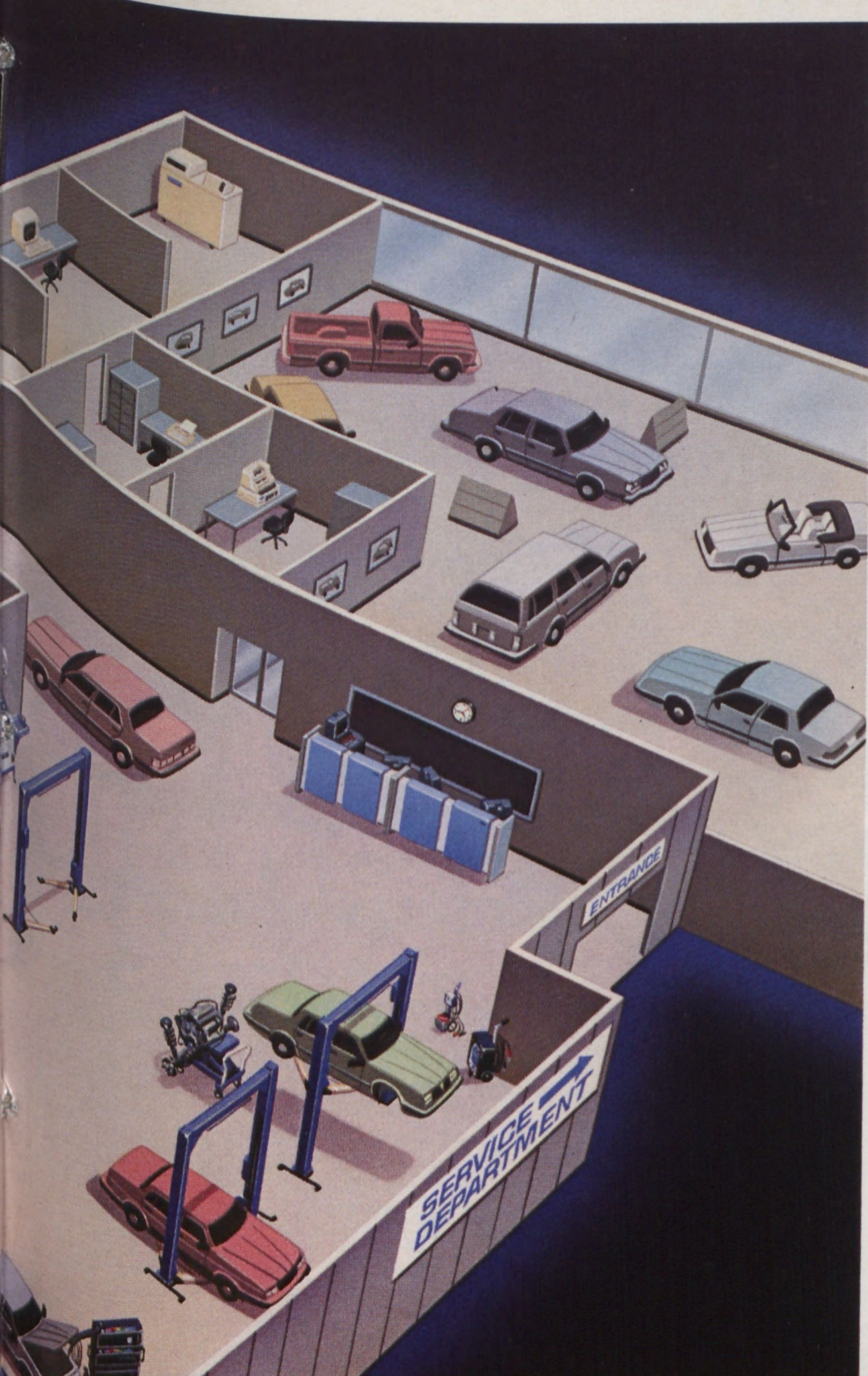
Circle #7 on Reader Service Card



Equipment Technology:  
**CUSTOMIZED SYSTEMS  
FOR GM DEALERS**







The automotive industry today offers GM dealers many opportunities for the future. To expand, upgrade or introduce new service capabilities. To reduce technician's required skill levels. And, to improve returns on equipment and personnel investments throughout the dealership.

The challenge is how to take advantage of these opportunities. Which ones do you address first? What are the best choices to meet the special needs of your dealership? Where do you locate financing? How do you know which equipment will be useful on tomorrow's cars? Where do you go for training?

#### THE FUTURE IS NOW

If you're prepared to respond to these challenges, we can help. Trained GM Dealer Equipment consultants can show you a comprehensive series of equipment systems carefully selected to meet current...and future...business demands.

We've already helped thousands of GM dealers make informed purchase decisions. Some dealers now use computerized business management systems for better control over all dealership operations. Others have new diagnostic capabilities with computerized analyzers. Many dealers have upgraded their wheel service and brake business with modern, computer-assisted equipment. And, a number of dealers have introduced new profit centers by installing complete unit body collision repair facilities.

You can make decisions right for today and for tomorrow. GM Dealer Equipment can help. To learn how, refer to our investment bulletins, use the catalog, or call:

# GENERAL MOTORS DEALER EQUIPMENT

1-800-GM-TOOLS



Dealer  
Equipment

GM Dealer Equipment  
Renaissance Center  
Tower 400, Suite 1500  
Detroit, Michigan 48243

Circle #17 on Reader Service Card



# BODY SHOP

curing systems/air compressors/compressed air filters and dryers/respirators/ paint strainers/air hoses and accessories. **Circle #41.**

## **Buske Industries Inc.**

1005 Market Street  
P.O. Box 190  
Gowrie, IA 50543  
(515)352-3125  
(800)362-8753

*Ervin Buske, president*  
*Richard O. Buske, vice president*  
*Beverly Buske, secretary-treasurer*

Auto body collision repair system consisting of PL-650 collision post, body shop floor tie-downs for new floor pour and existing floors, panel brake, Accu-Trak measuring system, Roam-A-Rack, plus all attachments for body and frame pulling. **Circle #42.**

## **Car-o-Liner Co. Inc.**

27581 Schoolcraft Road  
Livonia, MI 48150  
(313)427-5200

*Richard E. Stoughton, president*  
*Robert C. Moore Sr., director, sales and marketing*  
*Ted Peters, director, technical services*

Manufacturers of the Car-o-Liner universal bench repair system for the structural repair of unibody and full-frame vehicles. **Circle #6.**

## **Chart Industries Ltd.**

890 Brock Road South  
Pickering, Ontario, L1W 1Z9 Canada  
(416)839-1166

*G.P. Horan, president*  
*E.M. Seysmith, vice president*  
*J.A. Dennison, general sales manager*  
*J.T. Wickmann, plant manager*

Cheektowaga, NY (716)683-6390  
Bedford, TX (817)282-9044

Collision repair equipment for cars and trucks. **Circle #43.**

## **Chief Automotive Systems Inc.**

1924 E. Fourth St.  
Grand Island, NE 68801  
(308) 384-9747

*Richard J. Mullen, president and CEO*  
*James P. Zana, vice president, marketing*  
*Joseph D. Jolet, director, marketing communications*  
*Jess Hopkins, sales manager*

Eastern training/service center: Lancaster, PA  
(717)299-3755  
Midwest training/service center: Holland, OH  
(419)865-6404  
Western training/service center: Anaheim, CA  
(714)774-8090  
Southeast training/service center: Morrow, GA  
(800)445-9262

Chief EZ Liner Systems (three models) are universal collision repair systems which utilize multiple/simultaneous pulling techniques to return damaged unitized body and conventional frame vehicles to original factory specifications. All systems incorporate Chief's universal gaging system for accurate repair analysis. **Circle #7.**

## **Dinerman Equipment Manufacturing**

304 Brandywine Road  
Savannah, GA 31405  
(912)355-6720

*David Dinerman, president*

Auto and truck body and frame straightener; extra-heavy duty, patented, slotted rail, in-floor design; truck unit can be designed for any strength and length—30, 60 or 80 feet. **Circle #44.**

## **FMC Corp.**

**Automotive Service Equipment Division**  
2000 Market St.  
Philadelphia, PA  
(215)299-6000

*Ron Whitaker, president*  
*David Reale, vice president, marketing*

Conway, AR (800)362-3019; (800)482-8445 (AR)  
And more than 60 field representatives across the country

The Automotive Service Equipment Division of FMC manufactures a complete line of wheel service equipment. This includes tire changers, wheel balancers, brake lathes and wheel alignment equipment. Of special interest to the body repair industry is FMC's new Visualiner II computerized four-wheel alignment system. **Circle #45.**

## **Framaligner Manufacturing Co. Inc.**

2113 Border Ave.  
Torrance, CA 90501  
(213)320-7713

*M. L. Sidwell, president*  
*James W. Sidwell, vice president*

Manufacturers of Framaligner unitized gauge system for conventional as well as unitized construction. Also manufactures a portable drive-on collision correction rack accommodating unitized cars, frame cars and light trucks. Equipped with special gauging and clamping system. Two or more power units completely circle the rack. **Circle #46.**

## **Grabber Manufacturing Co. Inc.**

Route 3, Box 13  
Brunswick, GA 31523  
(912)264-1804

*Dave Jarman, president*  
*Virgil Hinson, vice president*

Autobody frame and collision repair equipment and related accessories. **Circle #47.**

## **Kansas Jack**

### **Division of Hein-Werner Corp.**

1101 W. First St.  
P.O. Box 1286  
McPherson, KS 67460  
(316)241-0830  
(800)235-5225

*Thomas G. Bur, president*  
*Leonard Eck, vice president, R&D*  
*Lee Ward, product sales manager*  
*Bob Donahue, manager of training*

Automotive collision repair and wheel alignment equipment; laser-beam aligners; stationary and portable straightening equipment; heavy duty frame and axle racks. **Circle #48.**

## **Kwik-Ezee Inc.**

54 Brooklyn Ave.  
Westbury, NY 11590  
(516)333-3120

*Thomas Castiglia, president*  
*John Castiglia, vice president*

Wheel alignment equipment for passenger cars and heavy duty trucks; wheel balancing equipment. **Circle #49.**

## **Markham Equipment Co.**

### **Division of Meco Inc.**

2006 W. Olive Ave.  
Burbank, CA 91506  
(818)841-3200

*G.D. Markham, president*  
*C.L. Markham, vice president*  
*L.P. Markham, warehouse manager*

Markham Equipment Co. was established in 1974 to design and build vehicle service facilities. The company specializes in turnkey design, supply and installation of state-of-the-art service equipment. Featured equipment: lifts, air compressors, lubrication, paint booths, frame service equipment, parts bins, wheel alignment systems and related service support equipment. **Circle #50.**

## **Paulee Universal Bench/Paulee Equipment Sales Inc.**

3049 S. La Cienega Blvd.  
Culver City, CA 90230  
(213)837-7721

*Paul "Paulee" Fleiner, president*  
*F. Ronald Bosch, general manager, administration*  
*Walter J. Dost, general sales manager (east coast office)*

East coast office: Mundelein, IL (312)949-4440  
Paulee universal benches and accessory equipment for the repair of unit body constructed cars according to manufacturers' specifications. Specialty body shop equipment: small hand tools, MIG welders, Paulee distillers, vacuum systems and other body shop equipment. **Circle #51.**



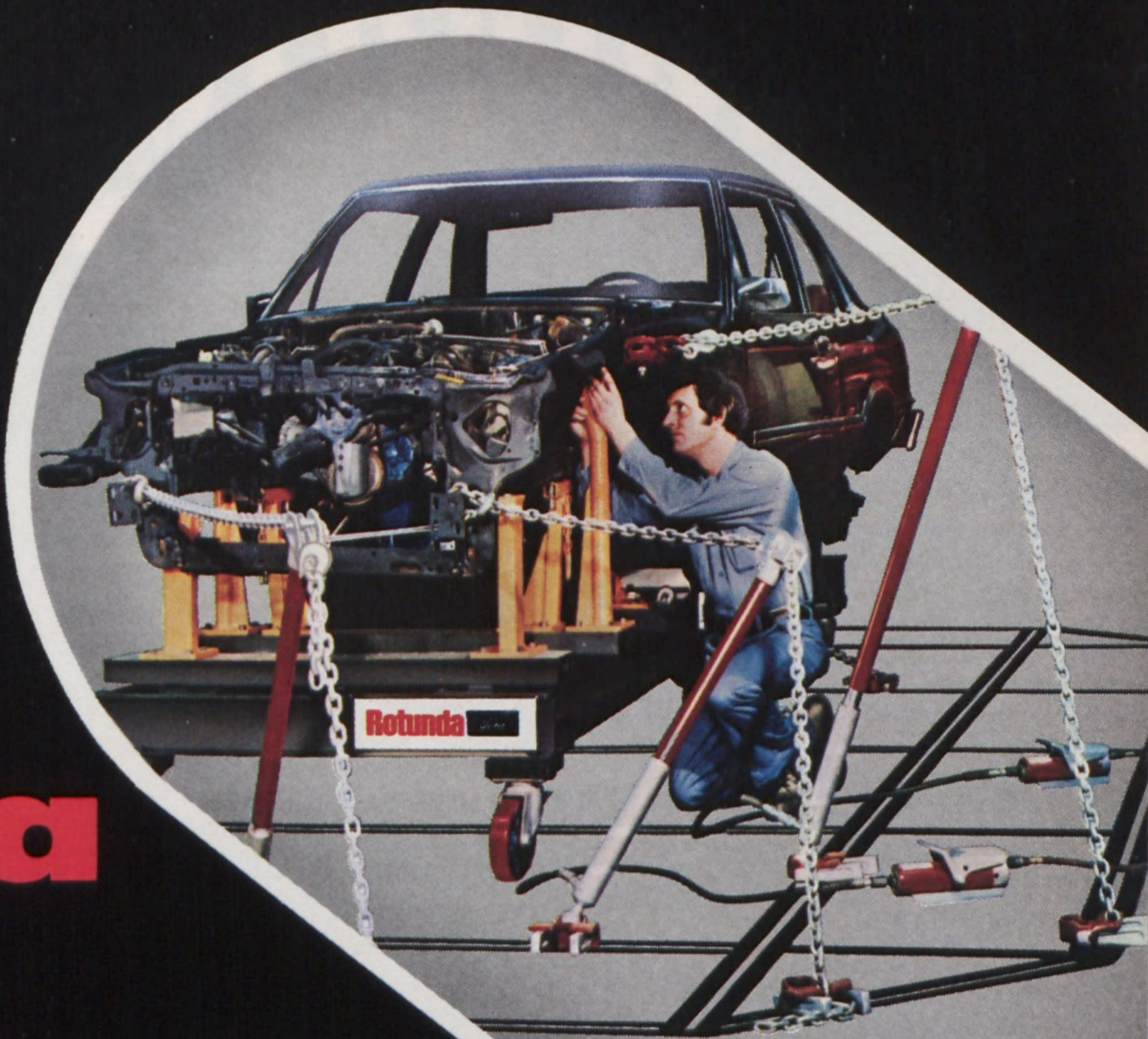
ATTENTION: FORD AND LINCOLN-MERCURY DEALERS

# The Rotunda Bench System

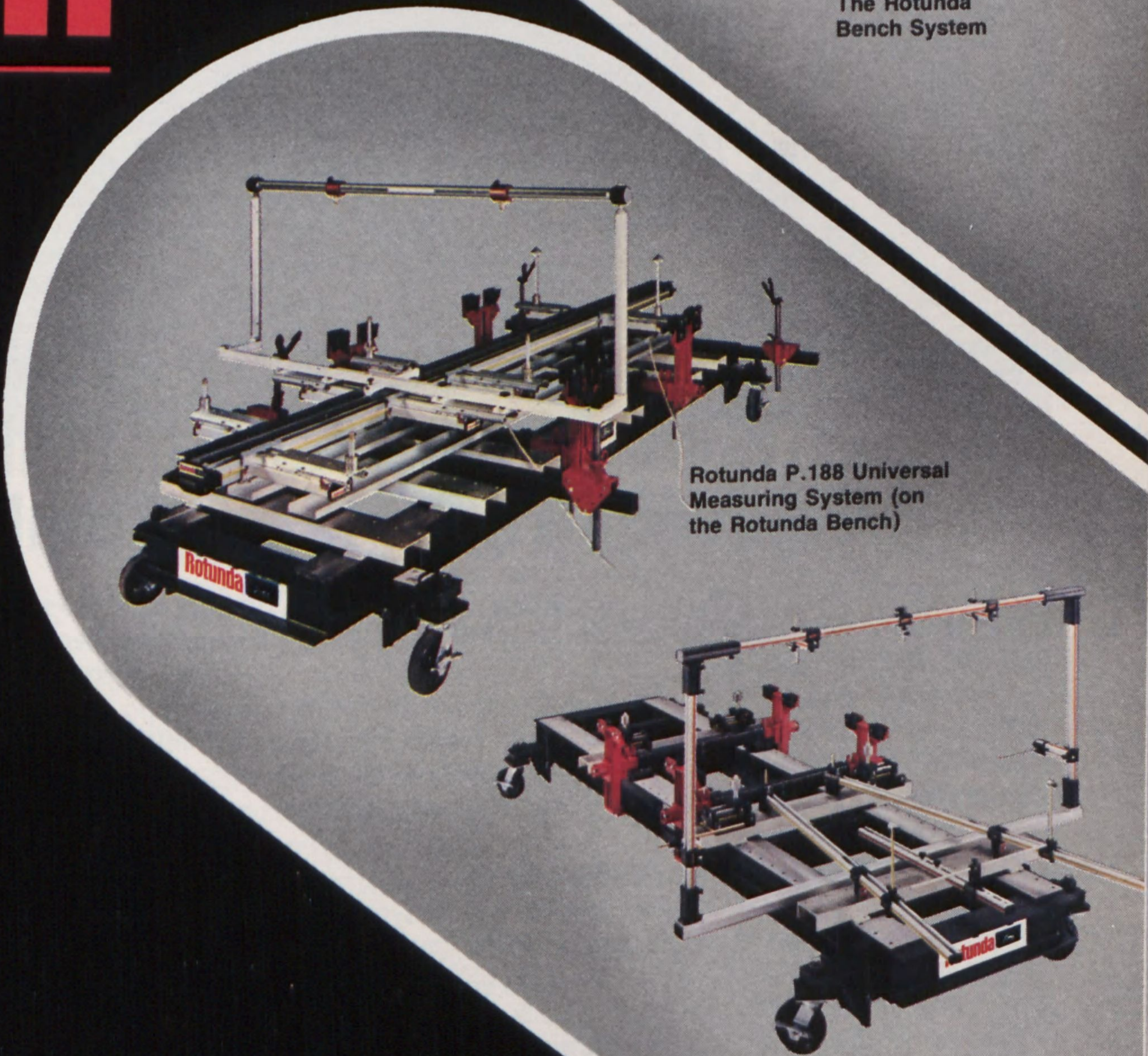
Ford and Lincoln-Mercury Dealers and Body Shop Managers who use the Rotunda Bench System are quick to endorse it. They've said that it is "THE WAY...to fix unitized bodies", "It...has earned a reputation for doing the job right", and "we can fix any front wheel drive vehicle and make money doing it". NOW...SEVERAL "ADD-ON" PACKAGES AND ACCESSORIES ARE AVAILABLE TO EXPAND THE APPLICATION AND PROFITABILITY OF THE ROTUNDA BENCH SYSTEM:

1. The Rotunda P.188 Universal Measuring System represents a new profit opportunity. It can be used either on a bench or as a stand-alone diagnostic system. The P.188's exclusive air suspension offers simple 1-2-3 set-up...with automatic alignment to the vehicle's datum plane. It moves with the vehicle during pulls, so there's no recalibration. A complete set of precision attachments and dedicated data sheets are provided. Several customized packages are available.
2. The Rotunda Universal Measuring Adapter eliminates the need to choose between universal and dedicated measuring. It expands the capability of the Rotunda Dedicated Bench System to include damage diagnosis and light damage repairs without fixtures.

For more detailed information on the Rotunda Bench System or to schedule a contact from a Rotunda representative, call our toll-free customer service hotline 1-800-762-6181 (in Michigan only 1-800-762-6182).



The Rotunda Bench System



Rotunda P.188 Universal Measuring System (on the Rotunda Bench)

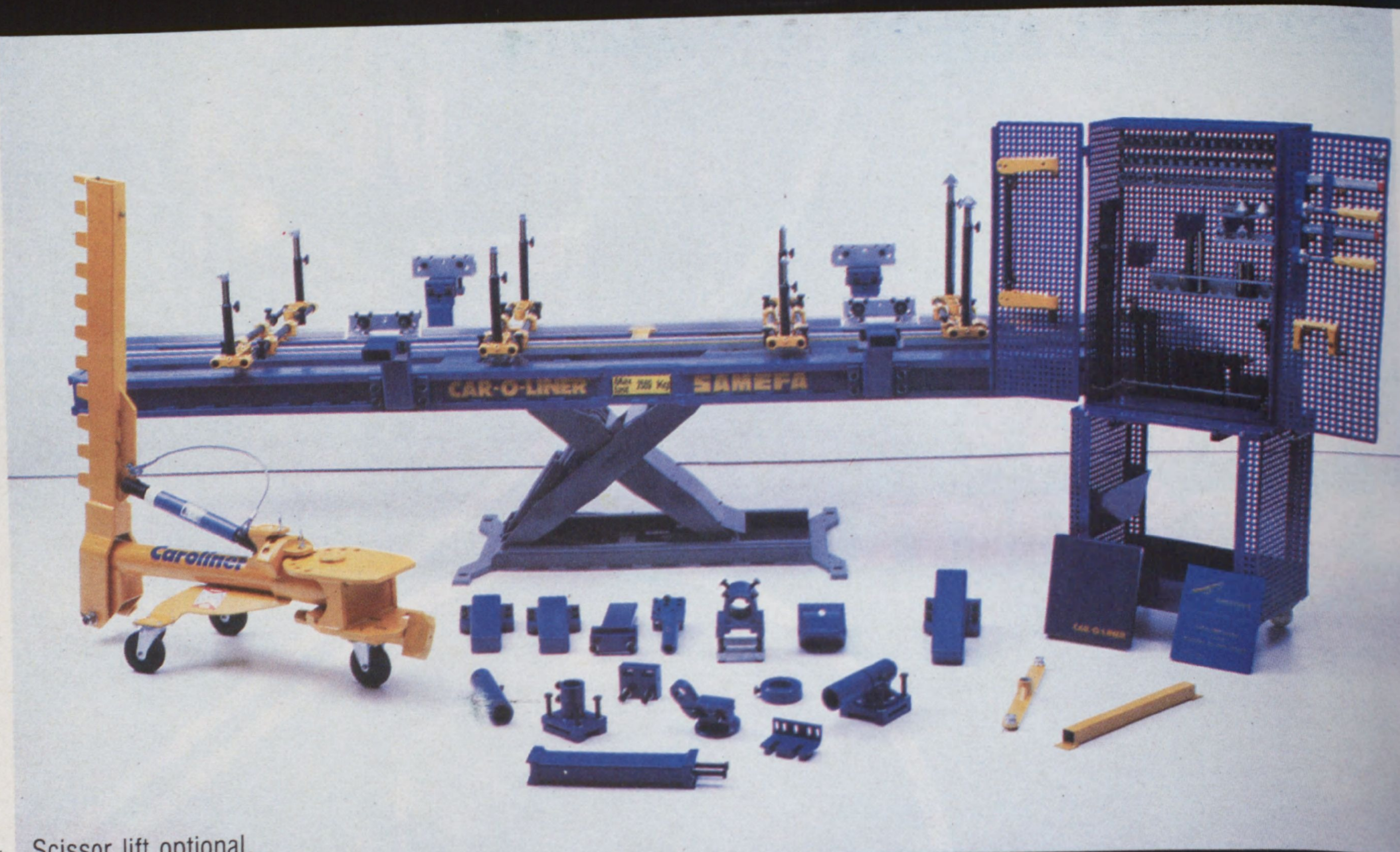
Rotunda Universal Measuring Adapter (on the Rotunda Bench)

**Rotunda**   
RIGHT FOR TODAY • RIGHT FOR TOMORROW

Circle #15 on Reader Service Card



# IMPROVED TO PERFECTION



Scissor lift optional.

## INTRODUCING THE CAR-O-LINER MARK IV UNIVERSAL BENCH MEASURING SYSTEM

Ever since Car-O-Liner was introduced in the United States in 1980, other bench manufacturers have been playing a frantic game of catch-up.

Dump jigs. Dump fixtures. Try to duplicate Car-O-Liner's simple yet amazingly accurate measuring system. Try to come even a little close to the technical superiority of their factory-spec'd data sheets. It hasn't been easy, and they've never caught up.

Now, it's going to be even harder to do so.

For Car-O-Liner is introducing the new MK IV system — truly an improvement on perfection. Subtle, small adjustments to the reading clarity of the measuring gauges. Exciting major adaptations on the side support dolly accessory group. Improved flexibility and increased drawing power in the draw aligner unit.

Special holding devices for MacPherson strut towers. Hy-

draulic cylinder support capability built into the support dolly unit. Alternative methods for securing steering arm supports.

And in addition to all of this, the most visible and most interesting innovation of all — *a bench designed to provide built-in lifting capabilities* — with the new Car-O-Liner scissor lift. It's an optional item, but one that many shop owners will appreciate the importance of when it comes to getting a job up, measured, drawn and repaired to exact specifications *the first time* — and getting it done quicker, which means more money in every job for the shop owner.

There's so much that's exciting about the Car-O-Liner MK IV that you've got to see it in action to believe it. Don't wait any longer; call or write us today for a demonstration in what bench repair job perfection really can be. It's a perfect way for you to start out a profitable new business year.

### Car-o-liner® Co.

27581 Schoolcraft Road, Livonia, MI 48150 313/427-5200  
Toll-free 1-800-521-9696 except in Mich., Alaska, Hawaii

Circle #6 on Reader Service Card



TIME



## Isolated: minivan fever.

*New research from TIME identifies potential minivan buyers, and how to reach them best.*

**A**mericans are buying minivans with a fever that's made them the hottest new automotive category in years.

Now a significant new study, undertaken anonymously for TIME, identifies potential minivan buyers by age, sex, and income. It even tackles the toughest question of all: how do people decide which make of minivan to buy, once they've caught the fever?

In the study, recent minivan buyers reported overwhelmingly that magazine advertising provided more useful information on makes of minivans than any other source.

And incidentally, the magazine read by the largest number of minivan buyers was TIME.

To learn more about the symptoms of minivan fever, please ask your TIME represen-

tative for a copy of our research report on new minivan buyers. Call Jeff Cornish, our Domestic Automotive Manager, in Detroit at (313) 874-8207, or Mike Callahan, our Imported Automotive Manager, in New York at (212) 841-3298.

**Get more out of it.**

TIME



# Calendar

## May

**1 to 5.** National Vehicle Leasing Association Annual Conference & Exposition, Broadmoor Hotel, Colorado Springs, CO

**4 to 8.** Greater New York Automobile Dealers Association Convention, Hilton Hotel, Williamsburg, VA

**9 to 11.** Congress of Automotive Repair & Service, Hyatt Regency Hotel, New Orleans, LA

**10 to 11.** South Dakota Automobile Dealers Association Convention, Sheraton Inn, Aberdeen, SD

**14 to 15.** NADA Leasing Seminar, Hyatt Seattle Airport, Seattle, WA

**14 to 21.** Kentucky Automobile Dealers Association Convention, Royal Lancaster Hotel, London, England

**16 to 20.** South Carolina Automobile

& Truck Dealers Association Convention, Cable Beach Hotel, Nassau, Bahamas

**22 to 27.** Orange County International Auto Show, Anaheim Convention Center, Anaheim, CA

**26 to 28.** Ontario Automobile Dealers Association Convention, Harbour Castle Hotel, Toronto, Ontario, Canada ■

## June

**1 to 5.** Pennsylvania Automotive Association Convention, The Greenbrier, White Sulphur Springs, WV

**2 to 4.** Vermont Automotive Trade Association Convention, Topnotch at Stowe, Stowe, VT

**5 to 6.** Massachusetts State Automobile Dealers Association Convention, Marriott Copley Plaza, Boston, MA

**7 to 9.** Automotive Service Councils of

Michigan Show, Michigan Exposition and Fairgrounds, Detroit, MI

**11 to 12.** NADA Leasing Seminar, Phoenix Hilton, Phoenix, AZ

**11 to 14.** New Mexico Automobile Dealers Association Convention, Inn of the Mountain Gods, Ruidoso, NM

**13 to 16.** Independent Automotive Service Association Convention & Show, Loews Anatole, Dallas, TX

**18 to 19.** NADA Business Management Seminar, Amfac Hotel, Minneapolis, MN

**19 to 23.** Automotive Service Councils Convention, MGM Grand, Reno, NV

**21 to 23.** Wyoming Automobile Dealers Association Convention, Americana Snow King Resort, Jackson Hole, WY

**28 to 30.** Maine Automobile Dealers Association Convention, The Samoset Resort, Rockland, ME

## MOTION MOVES MERCHANDISE ROTATING VEHICLE DISPLAY PLATFORM



INDOORS OR OUTDOORS  
THE ROTATING VEHICLE DISPLAY  
ATTRACTS CUSTOMERS TO YOUR DEALERSHIP.  
MAKE YOUR LOT COME ALIVE  
WITH DISPLAY, 24 HOURS A DAY!

**CALL TODAY**  
For Immediate Delivery  
**916-966-4642**

NPS Inc. Equip Div. P.O. Box 1024 Orangevale, CA 95662

## Don't get hung up looking for keys.



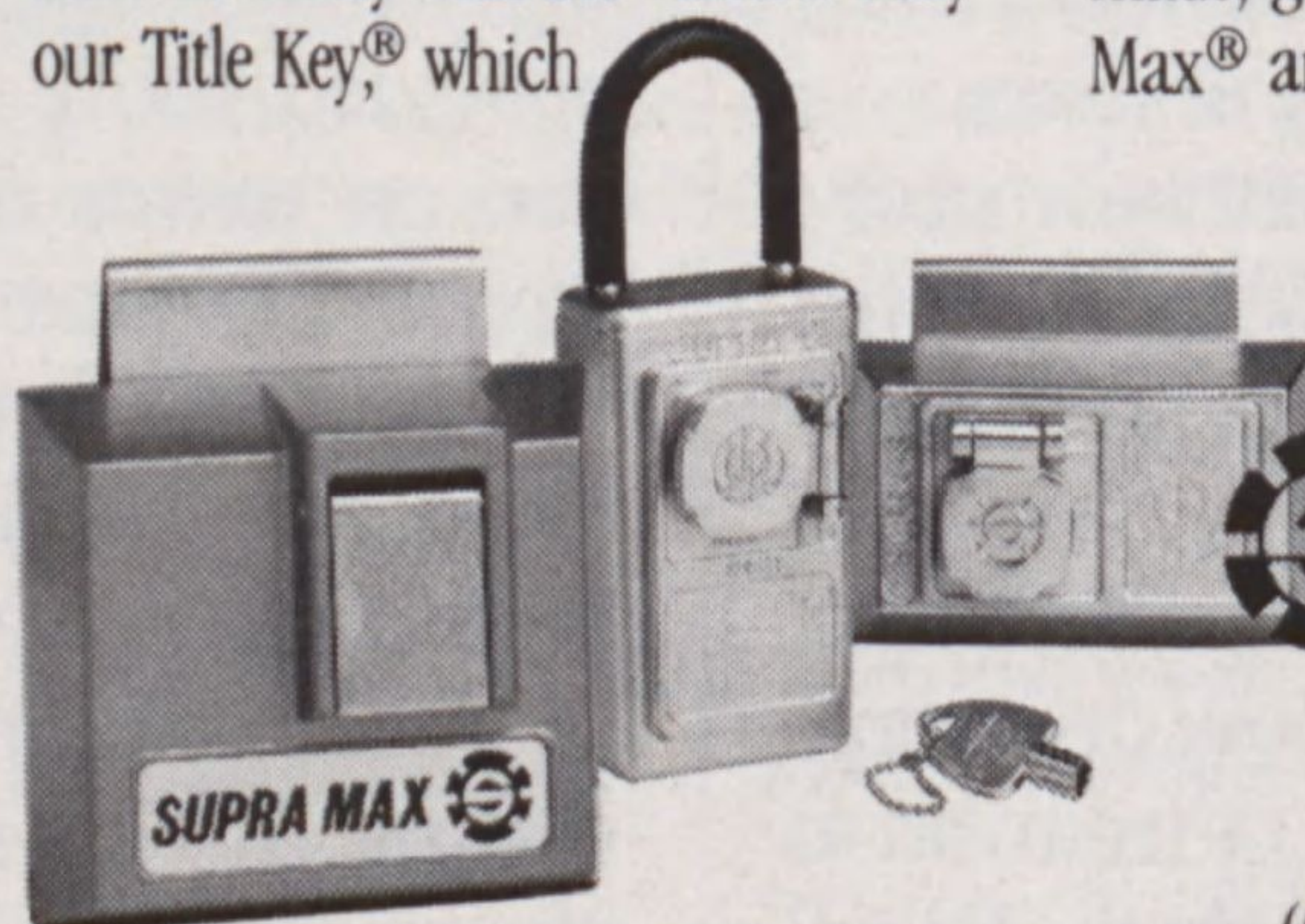
**You might  
lose a sale.**

If you're losing sales while your sales staff is hunting for keys, let Supra get you off the hook with Supra Max.® It keeps your sales staff on the lot selling, and it keeps your vehicles secure.

With the Supra Max,® your key remains safely with the vehicle. Only our Title Key,® which

can not be duplicated, can open the Supra Max.® This one-key system eliminates losses, duplications, and confusing key boards. It's also the toughest and most durable automotive key box on the market.

So if you want the best key boxes made, give us a call about the Supra Max.® and our other styles of auto key boxes. They'll keep your sales staff on the lot selling.



**SUPRA**  
WE OPEN DOORS FOR YOU.

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(503) 581-9101 (800) 547-0252

Circle #25 on Reader Service Card

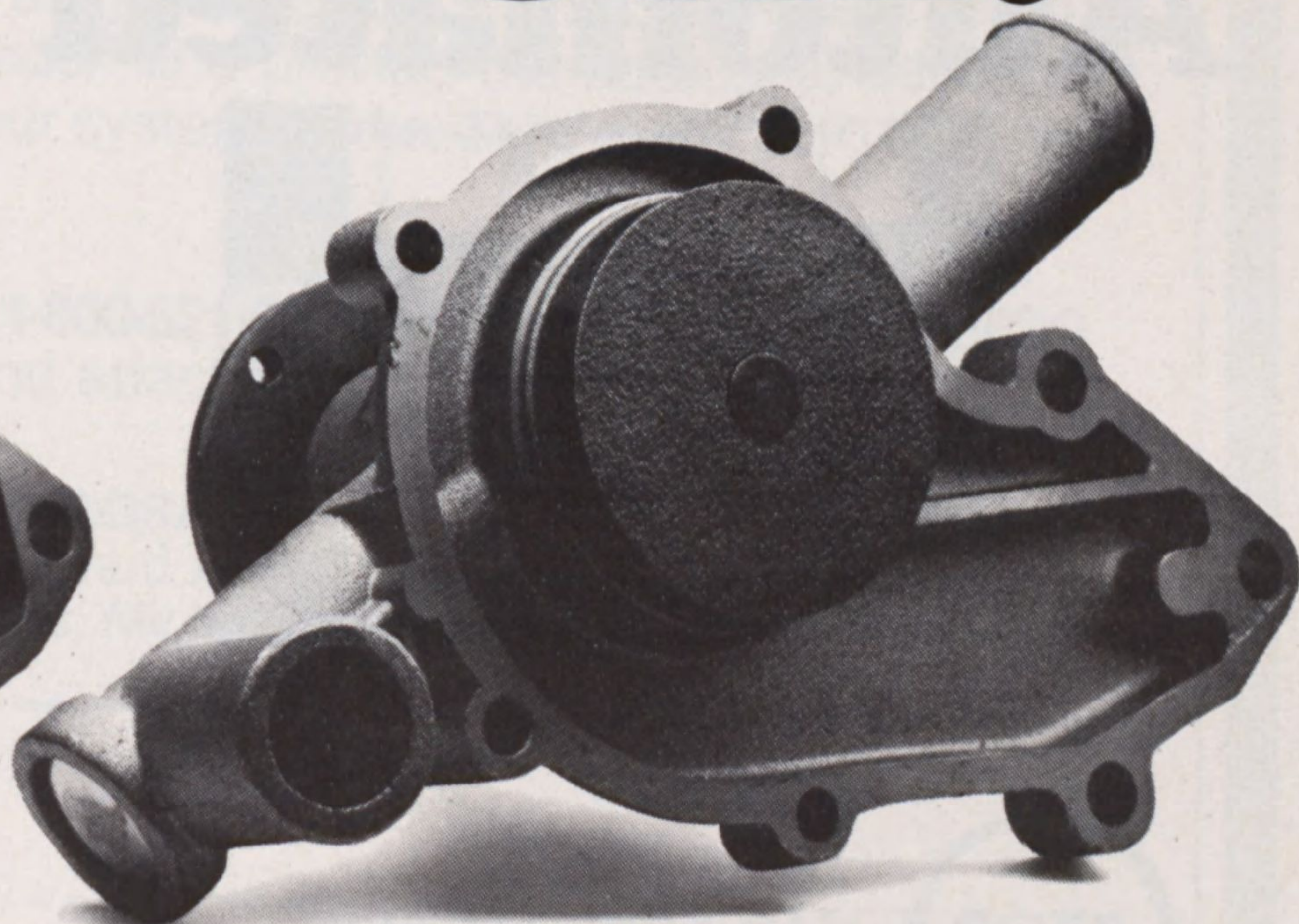
Circle #31 on Reader Service Card



# BEFORE YOU STAND BEHIND A BMW PART, MAKE SURE YOU DON'T STAND ALONE.



**12-MONTH/12,000-MILE LIMITED WARRANTY**



**0-MONTH/0-MILE LIMITED WARRANTY**

The part on the left is a Genuine BMW Part, and carries a genuine BMW warranty: a 12-month/12,000-mile limited warranty.\*

The part on the right is an imitation BMW part, and it too carries appropriate warranty coverage: none at all.

Which of the two would you feel more confident about installing into a customer's BMW?

If you made the obvious choice, you should also make the obvious choice about where to buy BMW parts—namely, from a BMW dealer. Because only parts purchased there are pro-

tected by the BMW parts warranty.

But that's only one of the compelling reasons for making a BMW dealer your exclusive source for parts.

BMW dealers also offer the widest selection of parts—because only BMW dealers obtain parts directly from BMW of North America.

BMW dealers offer the fastest availability of parts—because only BMW dealers have access to three regional BMW distribution centers.

And only BMW dealers sell precisely the same parts that BMW obtains from outside suppliers—parts

that are engineered to higher standards than similar parts built for the general market by the same outside suppliers.

Making the BMW parts warranty an expression of BMW's confidence not only in its parts, but in its dealers.

After all, BMW doesn't stand behind a BMW part unless it also stands behind the person who sells it.

**GENUINE BMW PARTS.**



\*See your BMW dealer for details. © 1984 BMW of North America. The BMW trademark and logo are registered.



**30 to July 2.** New Hampshire Automobile Dealers Association Convention, The Balsams, Dixville Notch, NH ■

## July

**17 to 21.** Louisiana Automobile Dealers Association Convention, Harrah's, Lake Tahoe, NV

**18 to 22.** West Virginia Automobile & Truck Dealers Association Convention, Princess Hotel, Freeport, Bahamas

**26 to 28.** Automotive Service Councils of California Show, Anaheim Convention Center, Anaheim, CA

**29 to 30.** Frost & Sullivan Automotive Aftermarket Conference, High Sierra Hotel & Casino, Lake Tahoe, NV ■

## August

**6 to 11.** 31st Annual Midwest Manufac-

tured Housing/RV Show, Notre Dame University, South Bend, IN

**25 to 29.** *Automotive News* World Congress & Expo, Renaissance Center and Cobo Hall, Detroit, MI

**26 to 28.** Automotive Parts & Accessories Association Show, McCormick Place, Chicago, IL ■

## September

**6 to 8.** Automotive Service Councils of Pennsylvania Show, Valley Forge Convention Center, Valley Forge, PA

**17 to 18.** NADA Business Management Seminar, Sheraton Music City, Nashville, TN

**29 to October 2.** Automotive Parts Rebuilders Association Convention, Cerantes Convention Center, St. Louis, MO

**29 to October 3.** Paint, Body & Equip-

ment Association Conference, Alameda Plaza, Kansas City, MO ■

## October

**5 to 6.** Auto Trim and Accessories Show, Hyatt Regency/Ohio Center, Columbus, OH

**8 to 9.** NADA Service Seminar, Park Suite Hotel, Oklahoma City, OK

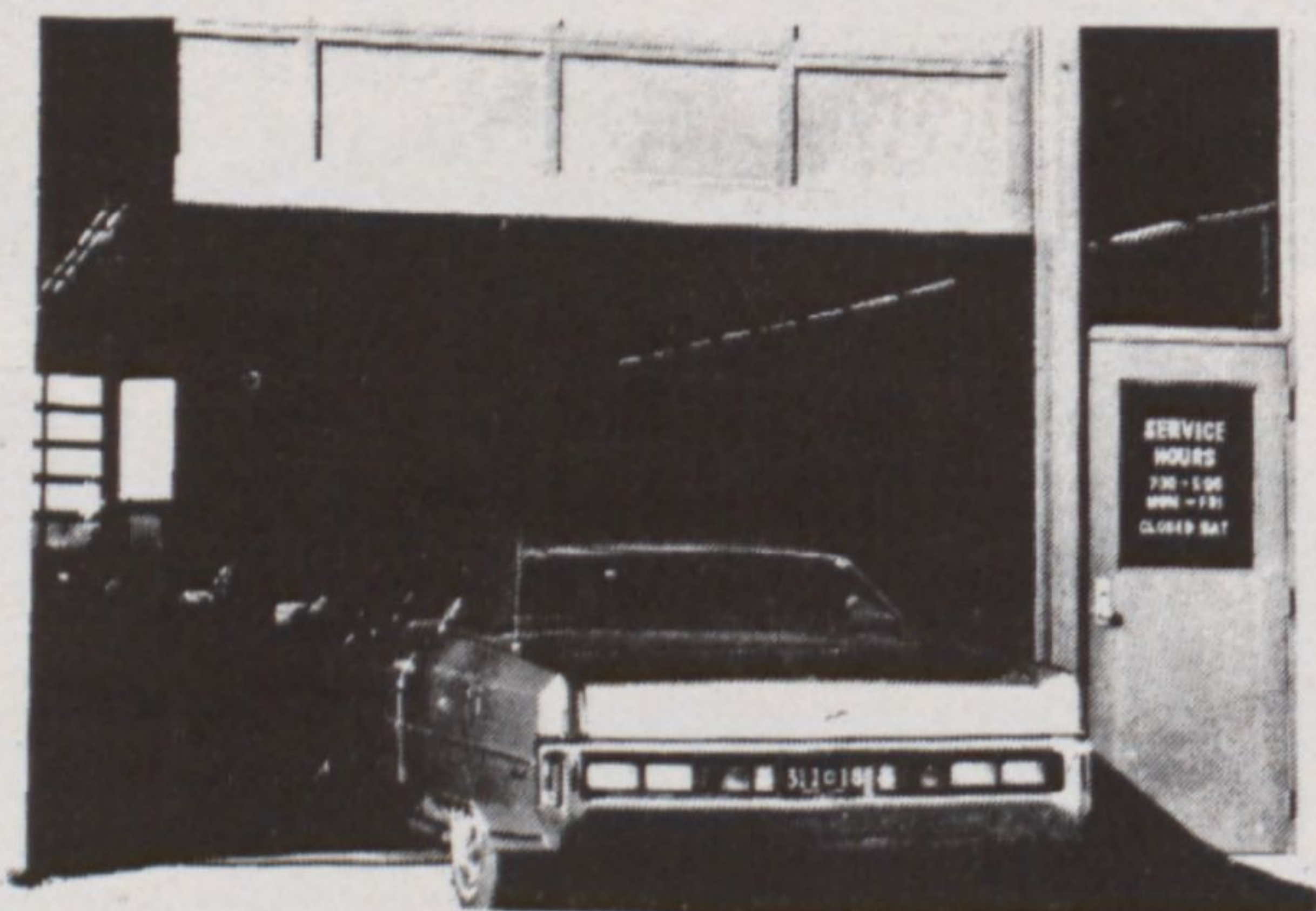
**8 to 10.** Automotive Sales Council Meeting, Arlington Park Towers, Arlington Heights, IL

**15 to 19.** Florida Automobile Dealers Association Convention, Innisbrook Resort, Tarpon Springs, FL

**20 to 24.** American Trucking Associations Convention, Hilton Hawaiian Village, Honolulu, HI

**29 to 30.** NADA Service Seminar, Sheraton Inner Harbor, Baltimore, MD □

# Automated



## SYSTEMS:

**STOP**

**CAR APPROACHES**

**OPEN**

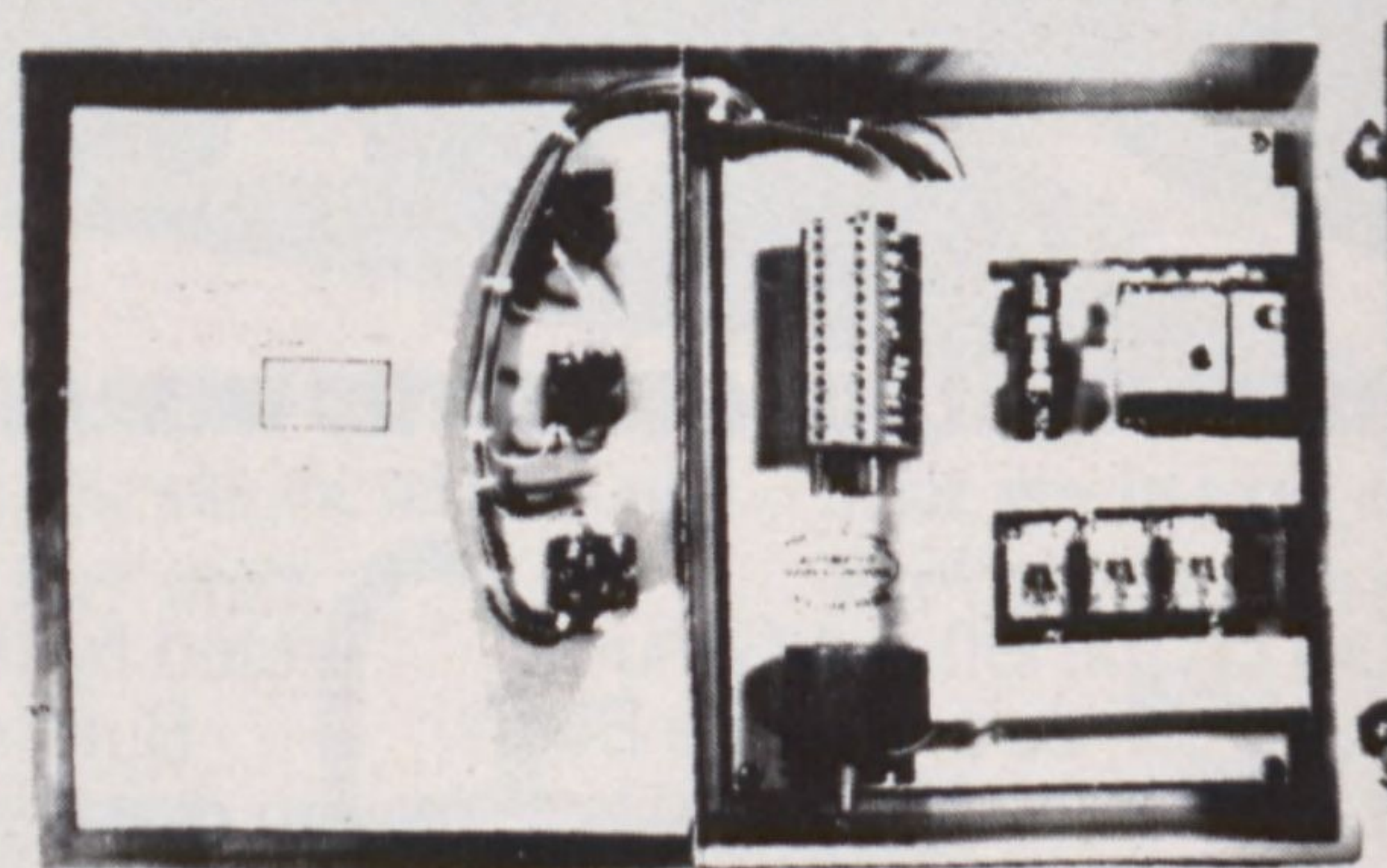
**DOOR OPENS** and remains open until car clears the opening

**CLOSE**

**DOOR CLOSES** after a five second delay once car clears the beam. **Safety factor** — door cannot close while vehicle is in the opening.

## DOOR CONTROL SYSTEMS

DESIGNED WITH THE DEALERSHIP IN MIND



**AUTOMATED  
DOORS & CONTROLS**

1305 S. MAIN STREET  
ROYAL OAK, MICHIGAN 48067

PHONE 313 968-9600

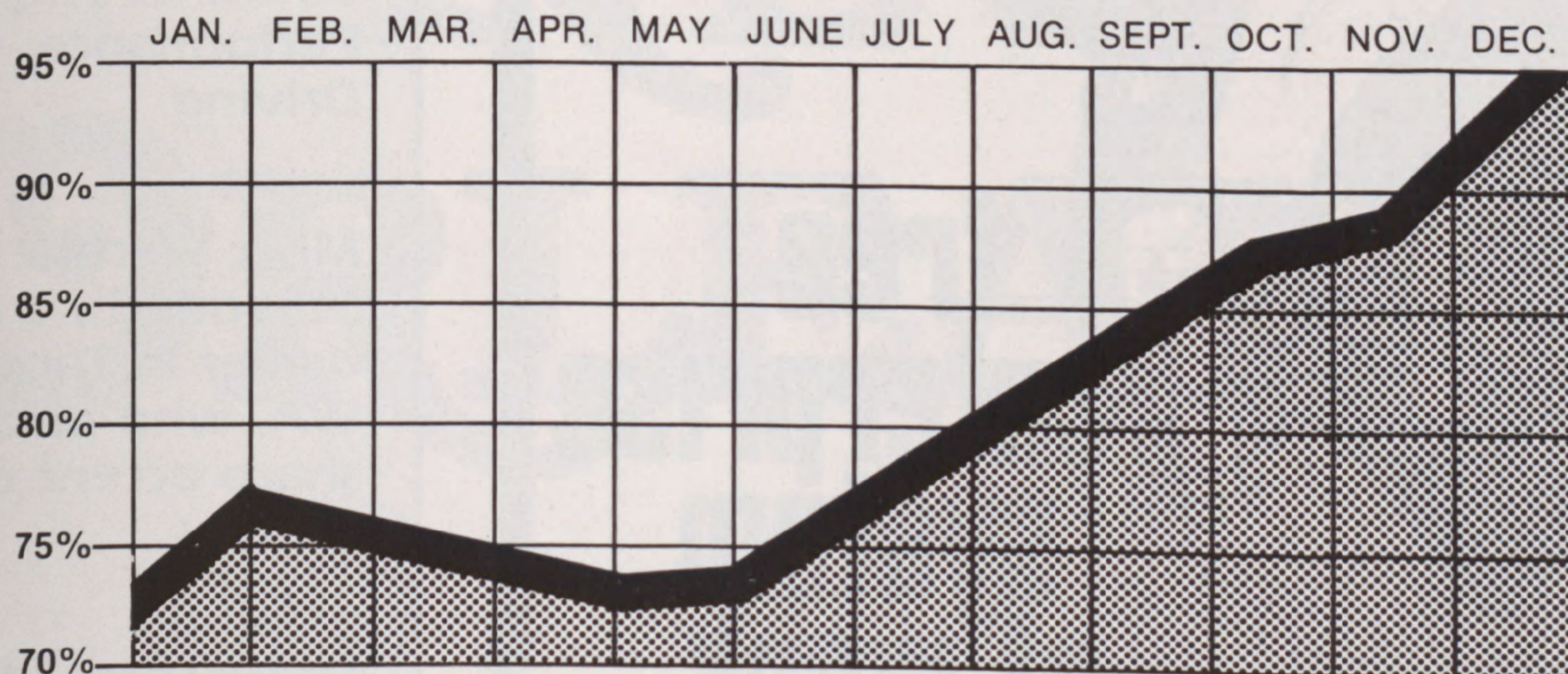
© 1985

Circle #3 on Reader Service Card



# WHAT WOULD YOU LIKE YOUR CSI TO BE \_\_\_\_\_?

**We may be able to get you there!**



Continuity Programs has developed a unique program specifically designed to increase your customer satisfaction index and provide the additional benefits that customer satisfaction can bring. Our system works. That's why auto dealers across the nation use it.

For further information call **Toll Free 1-800-521-0026**, (in Michigan 313-334-9624) and ask for the CSI department or send attached form to:

**CONTINUITY PROGRAMS INC.**  
2740 Woodward Ave.  
Bloomfield Hills, Mich. 48013

Company Name \_\_\_\_\_

Your Name \_\_\_\_\_ Title \_\_\_\_\_

Address \_\_\_\_\_

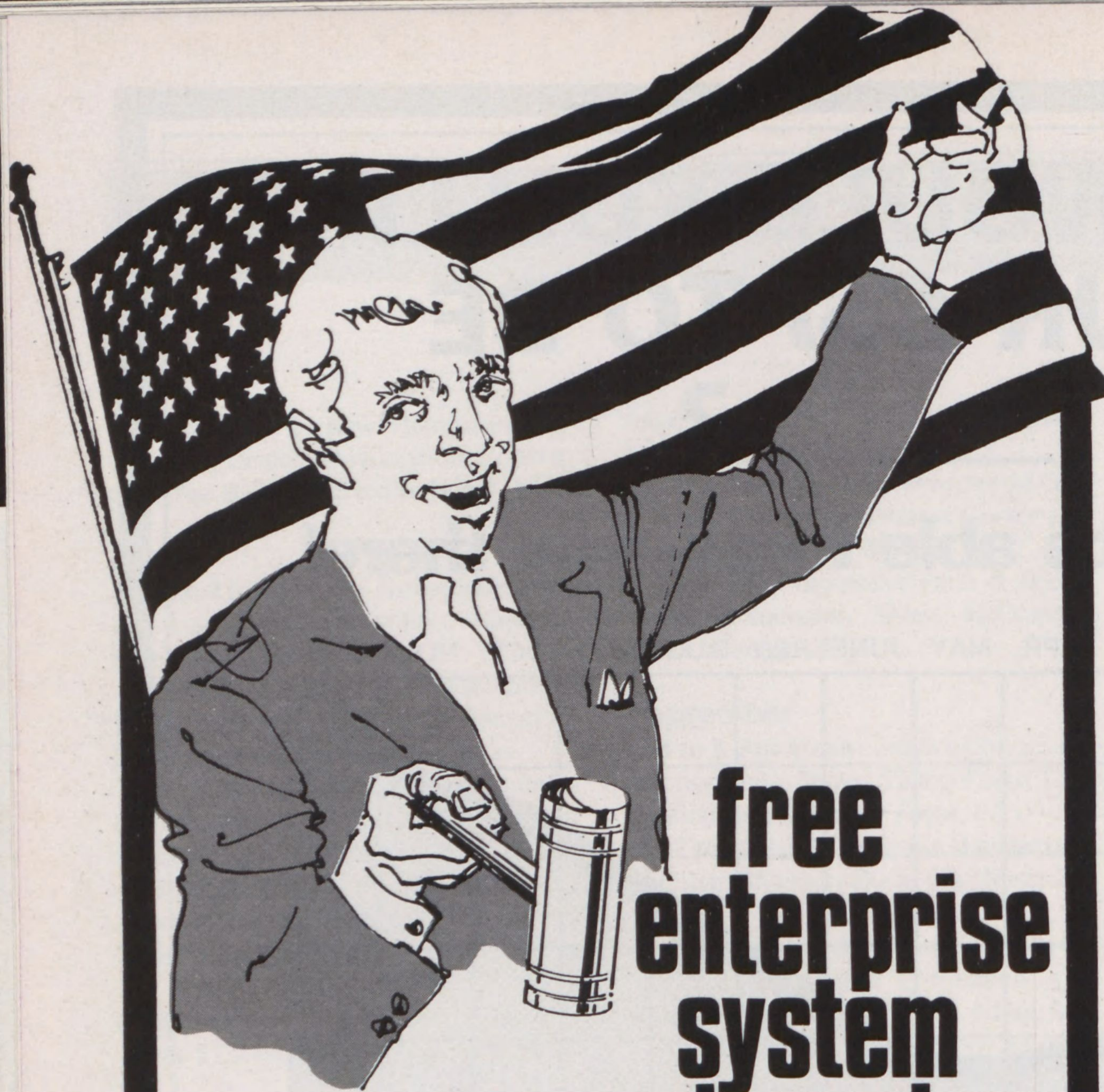
City \_\_\_\_\_ St \_\_\_\_\_ Zip \_\_\_\_\_

Phone \_\_\_\_\_ Number of  
Area Code Salespeople \_\_\_\_\_

Current CSI \_\_\_\_\_ What would you  
like it to be? \_\_\_\_\_

in strictest confidence





## free enterprise system at work...

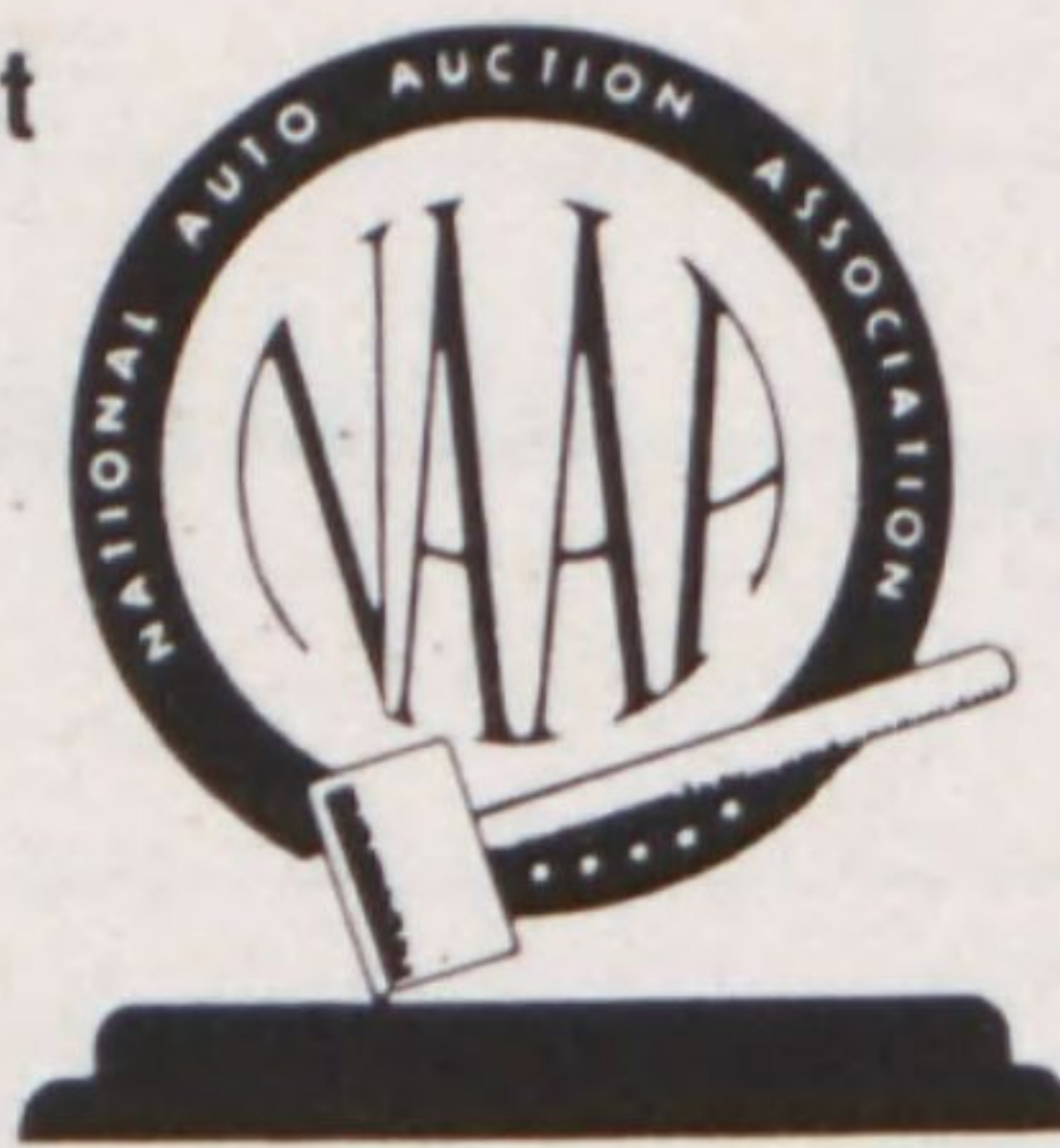
visit a nearby  
**NAAA**  
member auction

National Auto Auction Association member auctions handle over 3,000,000 cars and trucks a year. They help you buy and sell profitably. They help you balance inventories. Auction members provide multiple services, too, like transporting cars, washing, cleaning, and repairing them. And, our auctions help establish real market values for automobiles across the nation. This is free enterprise at work. It is private enterprise at its best. Both buyers and sellers at our auctions profit through regular visits...where ethical standards and practices by our members are unexcelled. Isn't it great to know an Association like NAAA is working for you? Where else, but in America?

For additional information and name of your nearest member auctions, phone or write:  
Bernard Hart, Executive Secretary

**National Auto Auction  
Association, Inc.**

5701 RUSSELL DRIVE  
LINCOLN, NEBRASKA (402)464-2170



Next month in

## Automotive Executive

Share the action at  
the Bob Bondurant  
School of High  
Performance  
Driving

Meet Werner  
Scharmach, a BMW  
dealer in Tacoma,  
WA, who puts a  
sharp accent on  
quality

Share ideas about  
how to merchandise  
service contracts to  
a growing market

Tour the Midwest to  
examine how  
dealers are affected  
by hard times in the  
farm belt

Take an inside look  
at GM's recently  
renovated van  
plant in Baltimore

And much, much  
more



*If you think San Francisco was something, wait 'til you see . . .*

# NEW ORLEANS

**1986 NADA CONVENTION & EXPOSITION**  
**FEBRUARY 1-4, 1986**



- More Workshops!
- More Exposition Space in the NEW New Orleans Convention Center!
- More Priceless Information Than Ever!

**The Proven Source \***  
**\* (P.S. NADA)**

Look for our first Registration mailing this June!



# DESIGNED WITH ONE FUNCTION IN MIND.

## PROFIT.

Any size dealership will profit from COIN 160 Series. Because it's designed to completely automate your store's front end. And increase the success of your sales force.

### **SELLING WITH GRAPHICS**

The COIN 160 sells prospects with eye-catching graphics. Which present financing, credit insurances and warranties as very affordable.

### **KEEPING IN FORM**

The COIN 160 is also a forms processor. Allowing you to prepare necessary documents quickly. Greatly reducing costly errors which can cause deals to be rejected.



### **MANAGEMENT TOOL**

As your store grows, so does your COIN 160. Additional COIN software permits sales managers to track new and used vehicle inventory, showroom traffic and sales force performance. It has been proven that

managing this type of information will result in a significant increase in car sales.

### **PROFITABLE DEMONSTRATIONS**

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## Management Ideas

### Going for experience

Oliver Martin was accustomed to wearing many hats at his dealership, Martin Truck Corp., Hagerstown, MD, but as business grew, he was simply running out of time to wear them all. As a result, credit and collection procedures began to lag. The investment in accounts receivable was increasing; some accounts were growing older and thus were more difficult to collect. Martin decided to hire a credit manager.

After advertising the position, he had four candidates, two with bank experience and two without any experience in the field. He faced an important decision: Hire a person at the going entry level salary and train him or her for the job; or hire a person at a somewhat higher salary who could immediately assume the responsibilities of the position.

Martin chose to go with experience and believes the decision has paid off many times over.

"He has a good 'feel' for what he can do and how to handle difficult, delinquent or slow-paying accounts," Martin says. "I have never had a customer complain about his being heavy-handed. Neither have we lost an account (that we should have retained) as a result of the way he handled a situation.

"He has at times extended credit to some accounts that I probably would have refused. He has the time to make an appropriate investigation beforehand and also the time to follow up."

The parts and service departments in a truck dealership can quickly generate a "mountain" of credit problems if allowed to operate without controls. At Martin's store, those controls are now in place with stellar results.

The credit manager has established certain limits, so customers not on the system cannot buy parts on credit and customers who exceed their credit limit cannot buy parts. In either case, salespeople must call in the credit manager, who makes the decision on each individual case. The service department is another potential trouble spot. Service

people have a tendency to believe that as long as they are "holding" the truck, there should be no problem about doing repairs the customer orders. But many problems can occur if the repair order totals \$4,500 and the best that the dealership could sell the unit for is \$2,000. In this case, the truck owner often decides to let the store continue "holding" the truck.

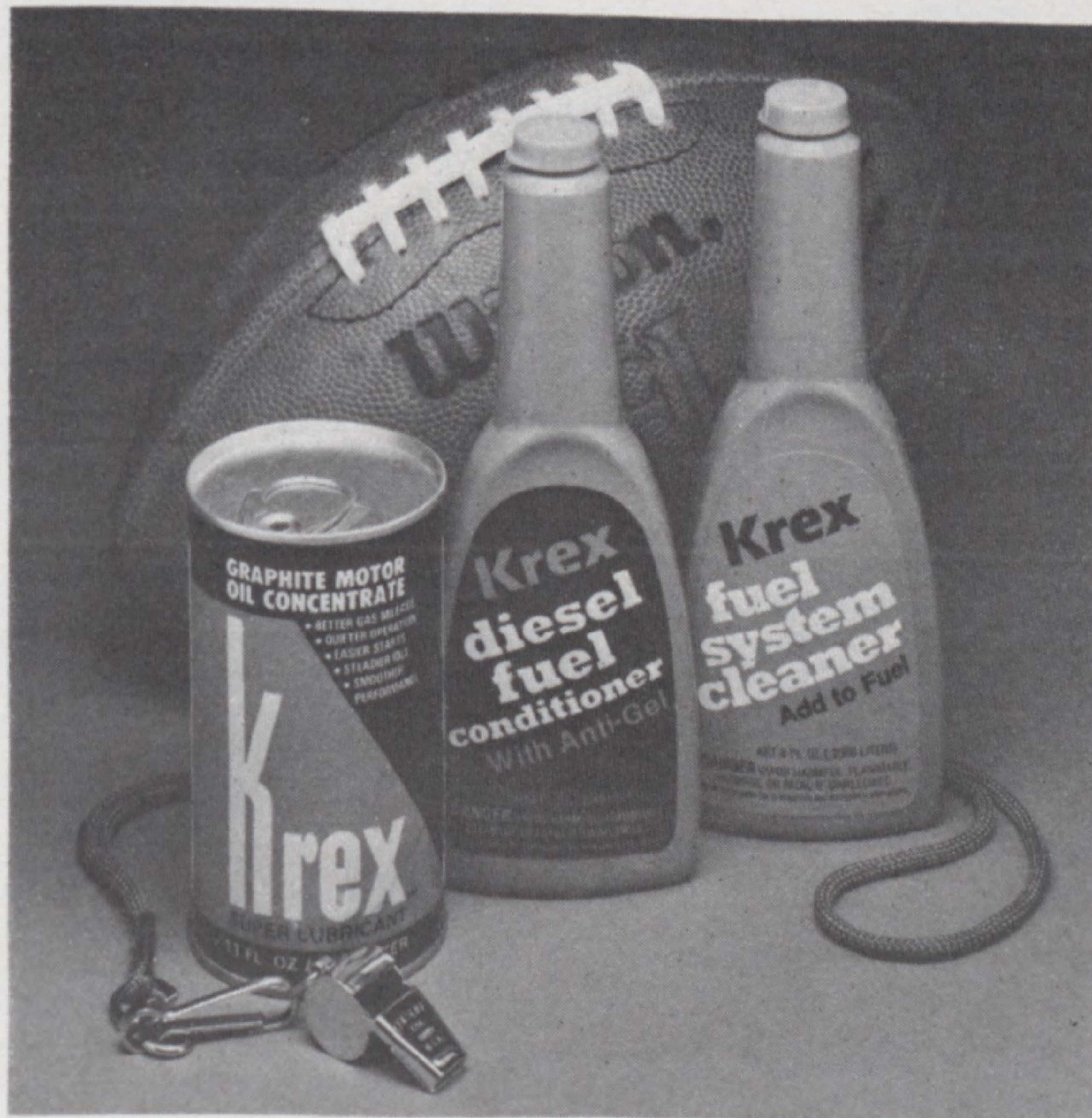
To avoid this problem, Martin's credit manager is called for credit approval whenever a service order is written. This procedure is followed regardless of the customer or the job. The credit manager can usually anticipate a potential problem and decide what, if anything, has to

be discussed about the settlement of the job.

Additionally, the credit manager can also help salespeople with the sale of new and used trucks and can be consulted about payments, rates and terms. He can handle customer credit information and discuss insurance coverage. Finally, he can set up the financing contract.

"Our credit manager is paid a weekly salary and a commission based on a percentage of the finance and insurance reserves," says Martin. "And, what we pay him does not cost us, it pays!

"Hiring a credit manager was one of the best decisions we ever made. It's



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been good for us. I believe it can be good for many other medium sized or smaller dealers who think they can't afford this extra person." ■

### Finding good salespeople

Heavy-duty truck salespeople are difficult to find. Good salespeople are not available because their current employers pay them well. Marginal salespeople, usually all that can be hired, probably will not last and can create more grief than good.

Where can dealers find the next good salesperson? ATD suggests they take a good look at their parts counterpeople:

- They know the product, in depth.
- They know the customer and his equipment, buying habits and credibility.

• They understand the company's policies and procedures.

• They can be developed economically both for themselves and the company.

• Training time will be reduced.

• Loyalty towards the company will be strengthened by a "promotion from within" policy.

A very successful dealer has developed three of his four salespeople this way. The continued success of this program depends on the recruitment and development of bright young parts people. ■

### Scrapping truck parts

Robbins International Inc. in Sarasota, FL, had a problem trying to trade and

dispose of older used trucks which had been traded in. They found that in some cases, the parts were worth more than the whole unit.

In one case, Robbins took as a trade-in a 1973 COF4070. The best price it could get for the unit, which was in fair condition, was about \$2,500. By scrapping the unit and selling off the used parts, the dealership realized significantly higher revenues. ■

### Parts department security

Although you may have locks on all the doors leading into the parts department, your employees may be lax in keeping the doors locked and allowing unauthorized people to enter.

Ask one of your employees who is not authorized to be in the parts department to walk in and pick up something big and obvious. The employee is to bring the merchandise through the service department, out the door and around to the front office.

Find out if the "unauthorized person" is stopped by anyone, and if so, by whom. If your security is not up to par, have a serious talk with your parts department manager. It may save you from losing many dollars in the future. ■

### Include mechanics numbers

Many benefits may be gained as a result of including mechanics' numbers on parts tickets. The back counter parts person can write in the clock number of each mechanic as parts are issued.

Providing the number results in the following benefits:

• A ready reference in the parts department without having to refer to the "hard card."

• A cross-check for service department personnel checking repair orders.

• A record of who checked out the replacement part is available for the warranty administrator who needs to track down parts to be retained or sent back to the factory. □

—Gerry Donohue



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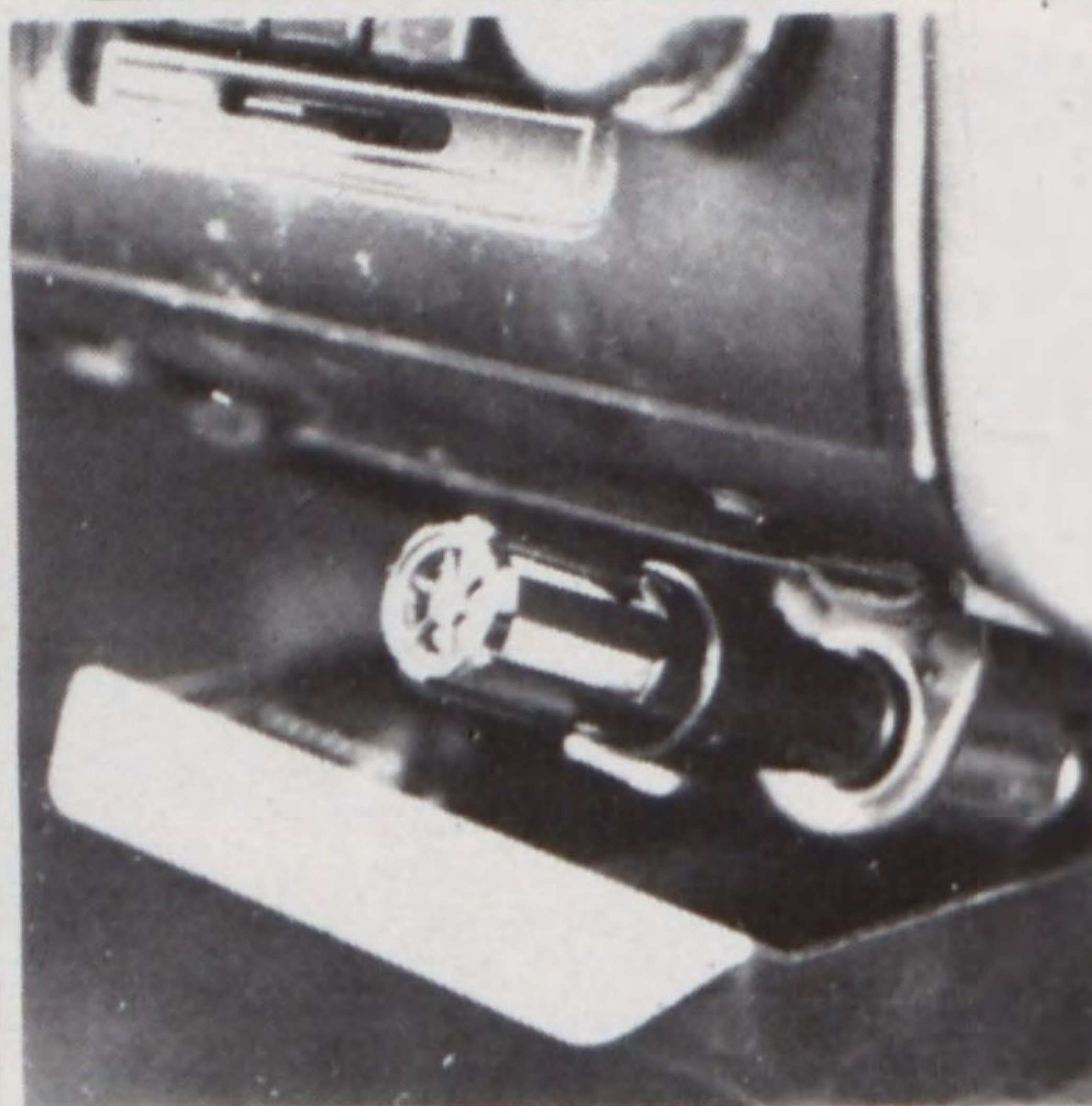
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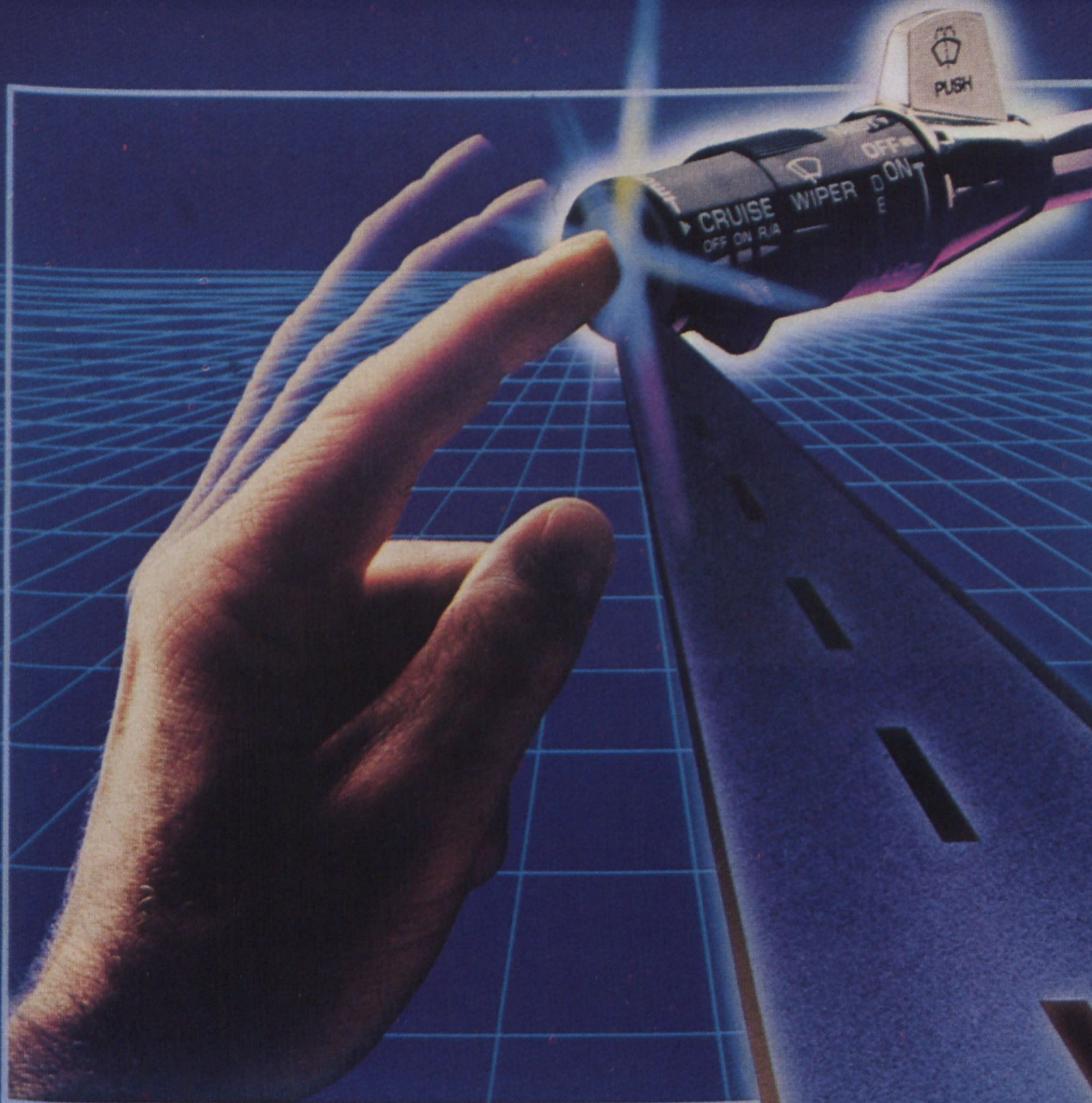
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## INDY ART SHOW



# AUTO'S IMPACT ON SOCIETY

By Terry Horvath

**I**ndianapolis 500 Mile Race visitors generally travel to the center of Indiana to witness the sights, smells and sounds associated with the Speedway track. When the activity kicks into high gear, excitement builds throughout the 2½-mile oval. But when it rains, fans only see frustrated officials, empty bleachers and a mud bath in the Snake Pit.

This year, however, the Herron Gallery offers an interesting haven for rained-out race addicts and other automobile lovers.

Opening on Friday, May 10 and running through Wednesday, June 26, "The Big Car Show: Contemporary Visions of the Automobile" consists of about 40 artists' views on the automobile's impact on society.

"This show celebrates how attached we are to the automobile," says Martha Winans, director of the gallery located at the Herron School of Art. "The car is such an integral part of our society that it's natural it appear in art forms."

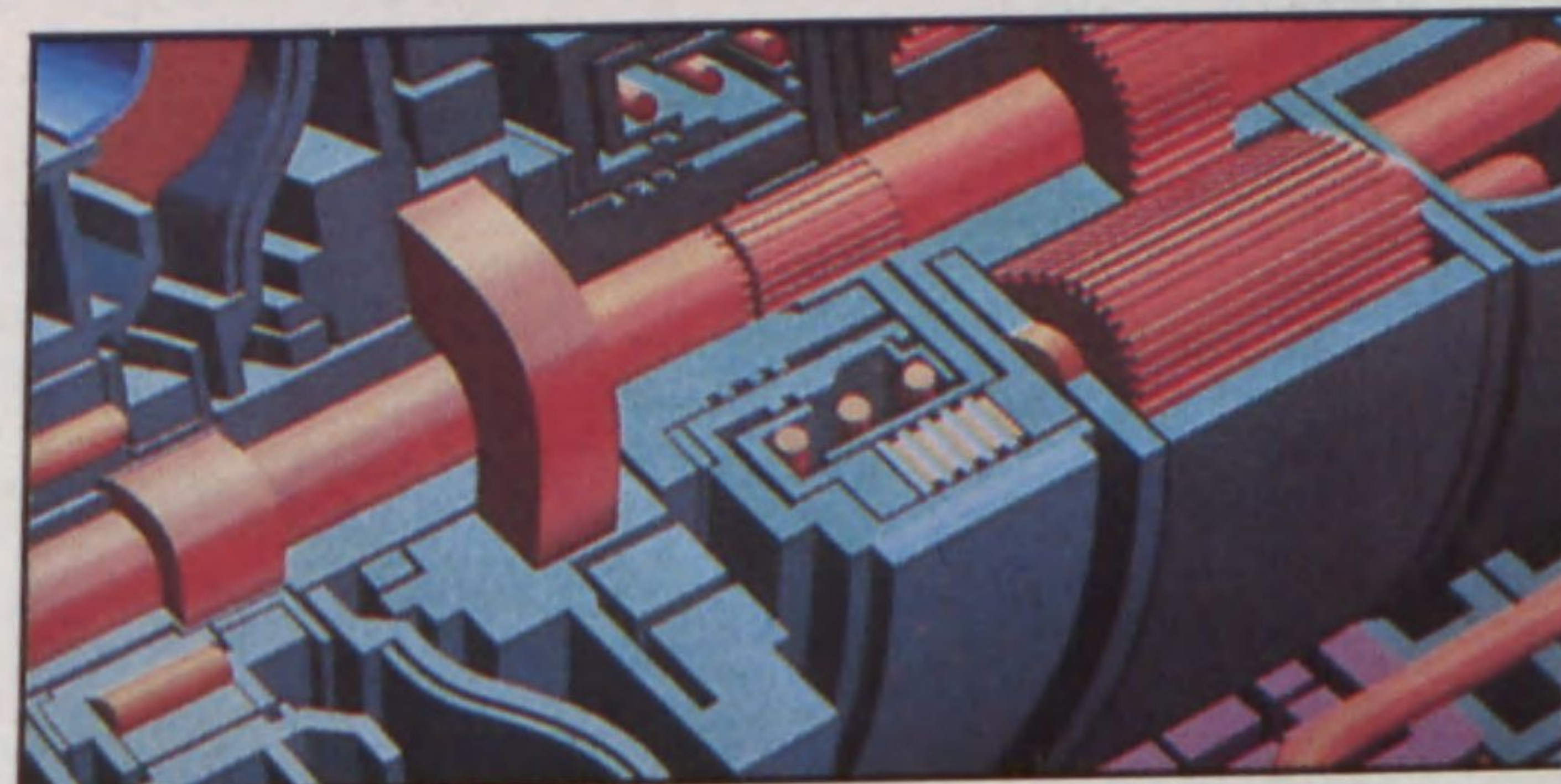
Winans promises a "fun show" for everybody, including a humorous touch as well as a serious side.

Graffiti art, documentation of actual cars buried in concrete, Cadillac ends growing out of Texas soil, a chair resembling part of a 1959 Cadillac and a Volvo wrapped in fabric are just a few examples of the show's whimsical nature.

On the other side, Winans has included some harsh symbolism, too. Photographs of crumpled fenders and cars wrapped around trees share some of the wall space.

Yet, the bulk of "The Big Car Show" illustrates the auto as beauty instead of beast. Focusing on art made during 1974 to 1985, Winans selected people who incorporate the car or the culture surrounding the auto in a number of works. Artists include William Copley, Christo and Ed Ruscha.

Since the gallery dedicates itself toward presenting contemporary art only, Winans admits that the history of the automobile is not the objective of "The Big



Car Show." Instead, she sees the Indianapolis show as a sequel to "Automobile and Culture," an exhibition presented by the Los Angeles Museum of Contemporary Art during the 1984 Summer Olympics.

"Their show basically was a history of design from day one of the automobile," she says. "We offer a contemporary perspective." □



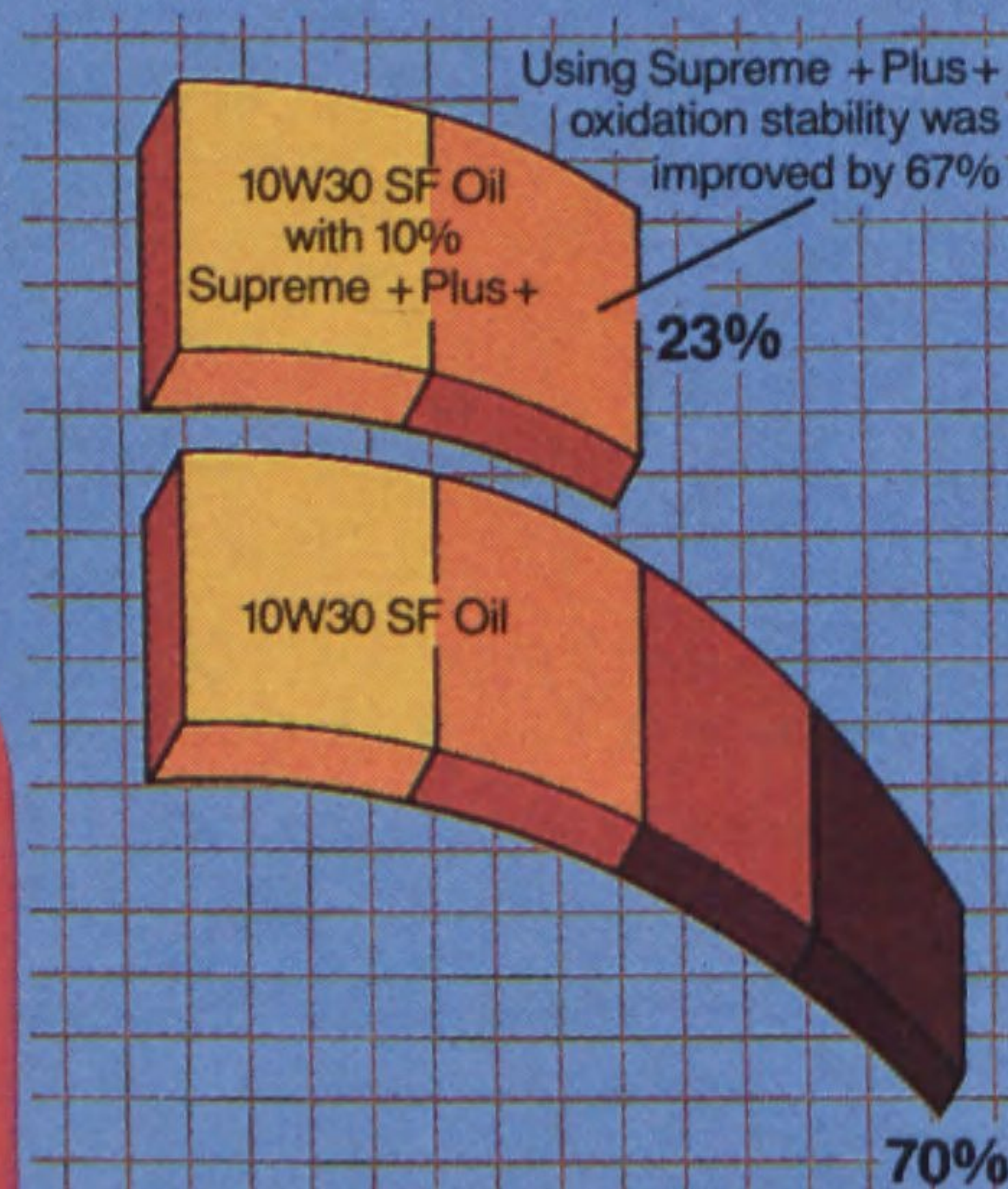
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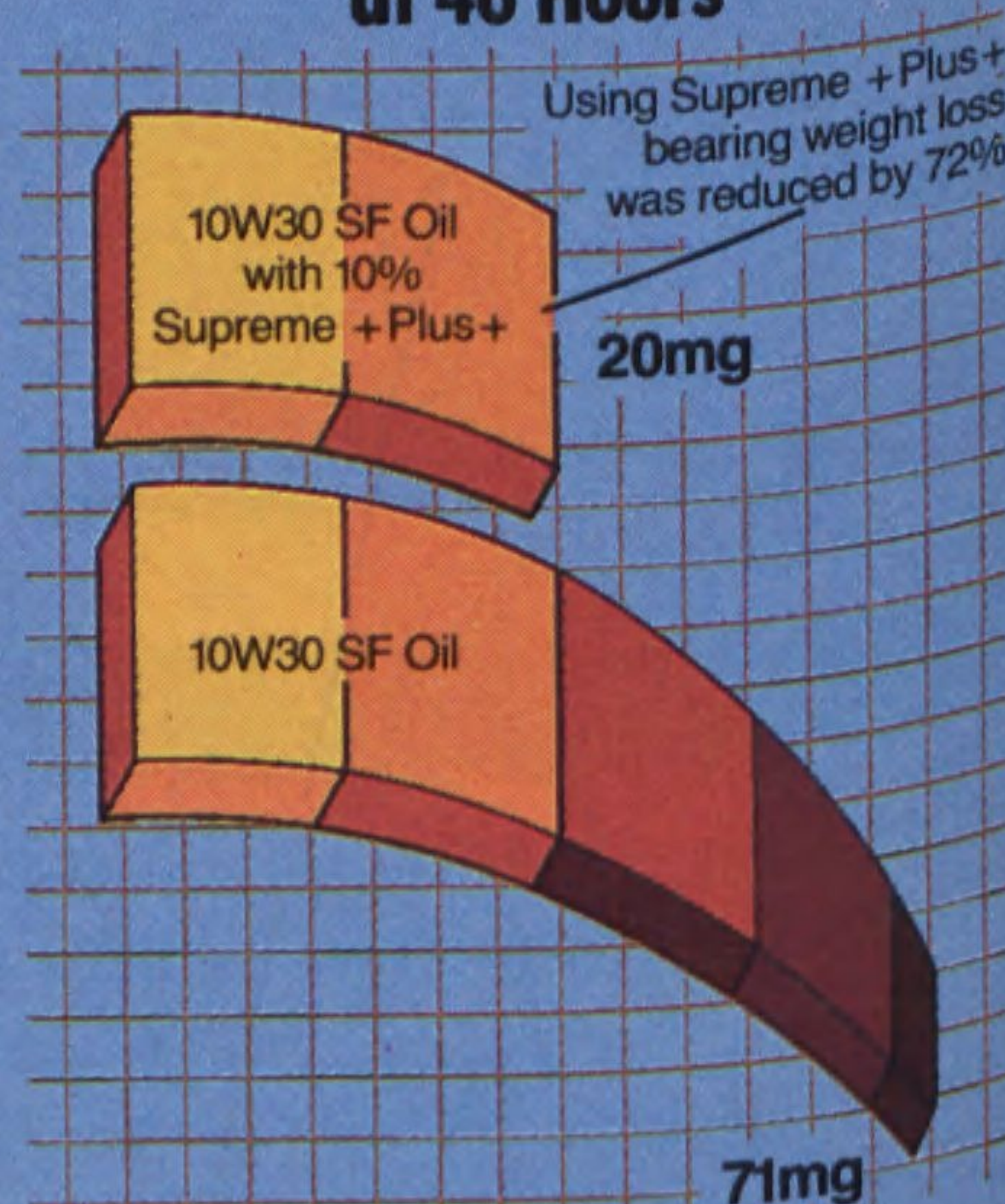
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# Auto Association News

## Have a heart

During the month of February, members of the Kingston, North Carolina Automobile Dealers Association donated \$14 to the American Heart Association for every new and used car sold. The total donation amounted to \$6,051.

Participating dealers were Poole Buick, Roy Jones Pontiac, Roy's Datsun-AMC-Jeep-Renault, Massey Motor Co., Evans Ford, Don Keating Chevrolet-BMW, White Owl Motor Co., Vernon Park Auto Center and Mills International.

Funds raised by this project will help support the American Heart Association's research and programs to treat and prevent America's number-one killer: cardiovascular disease.

*The association's president is Don Keating.* ■

## Donation

The Chicago Metro Dodge Dealers Association (CMDDA) recently presented a \$2,400 check to the Neediest Children's Fund. The presentation culminated a fundraiser in which CMDDA donated \$100 for each of 24 field goals kicked by Chicago Bear Bob Thomas. CMDDA also donated \$100 per field goal to the restoration of the Statue of Liberty.

*The president of CMDDA is David Ostrow.* ■

## IADA AUTOCAP campaign

The Iowa Automobile Dealers Association (IADA) will soon launch a statewide promotion for their Automotive Consumer Action Program (AUTOCAP).

Established in Iowa in 1983, AUTOCAP has processed over 50 filled cases out of

nearly 200 inquiries. Eleven cases went to mediation.

The campaign will focus on two points in its message: informing consumers how AUTOCAP can assist them and telling consumers that AUTOCAP has a proven track record.

The campaign will be targeted through several publicity methods, including news releases, informational literature and radio public service announcements.

Over 95 percent of Iowa's franchised dealers participate in AUTOCAP.

*The president of IADA is John Falb.* □

The only way other associations across the country can know what your association is doing is if you let us know. Send information on your projects, activities, donations, awards and other items of interest (and include a black-and-white glossy photograph, if possible) to: Joan Rubin, associate editor, *Automotive Executive*, 8400 Westpark Drive, McLean, VA 22102.

## Announcing the Hawkins Motor Coach, Inc.



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## GOLF TOURNAMENT DIRECTORS

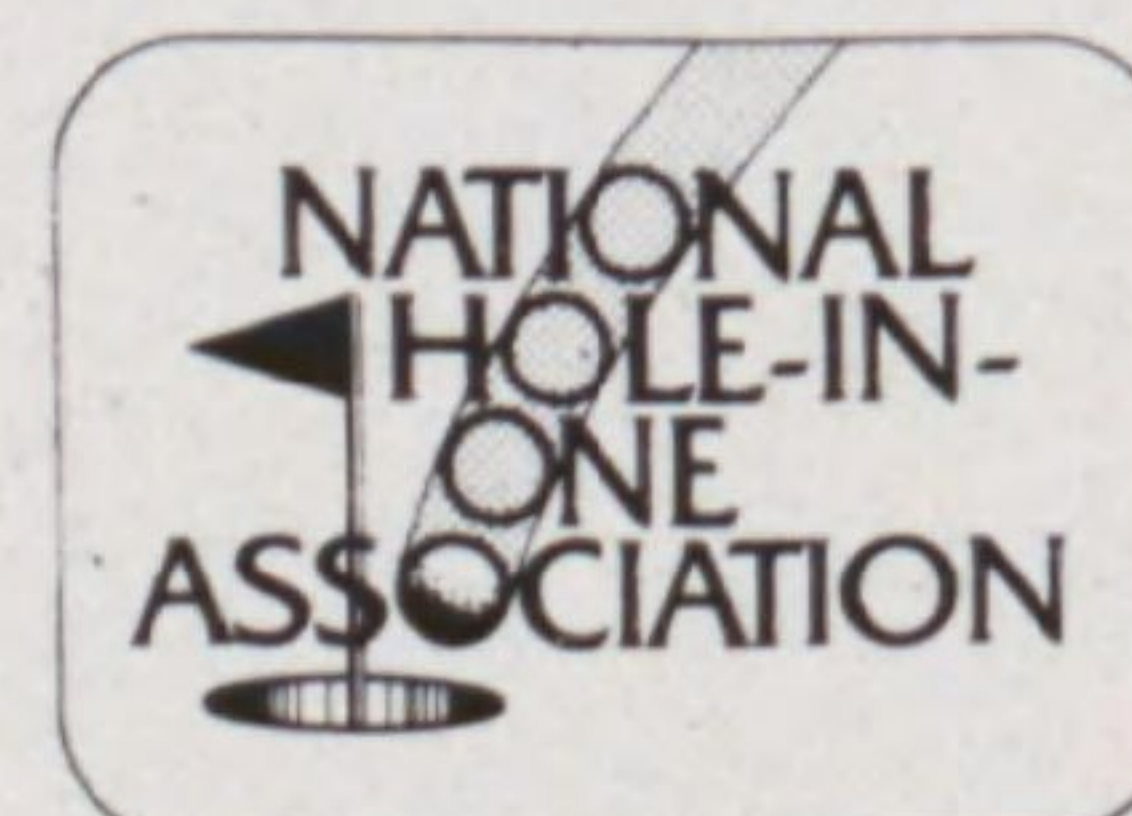
Car and Truck Dealers across America have discovered a proven, low-cost way to get valuable publicity at a fraction of the cost with deals like this...

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**Simply fill out the attached postcard. Circle the numbers which correspond to the advertisements and items mentioned in this issue.**

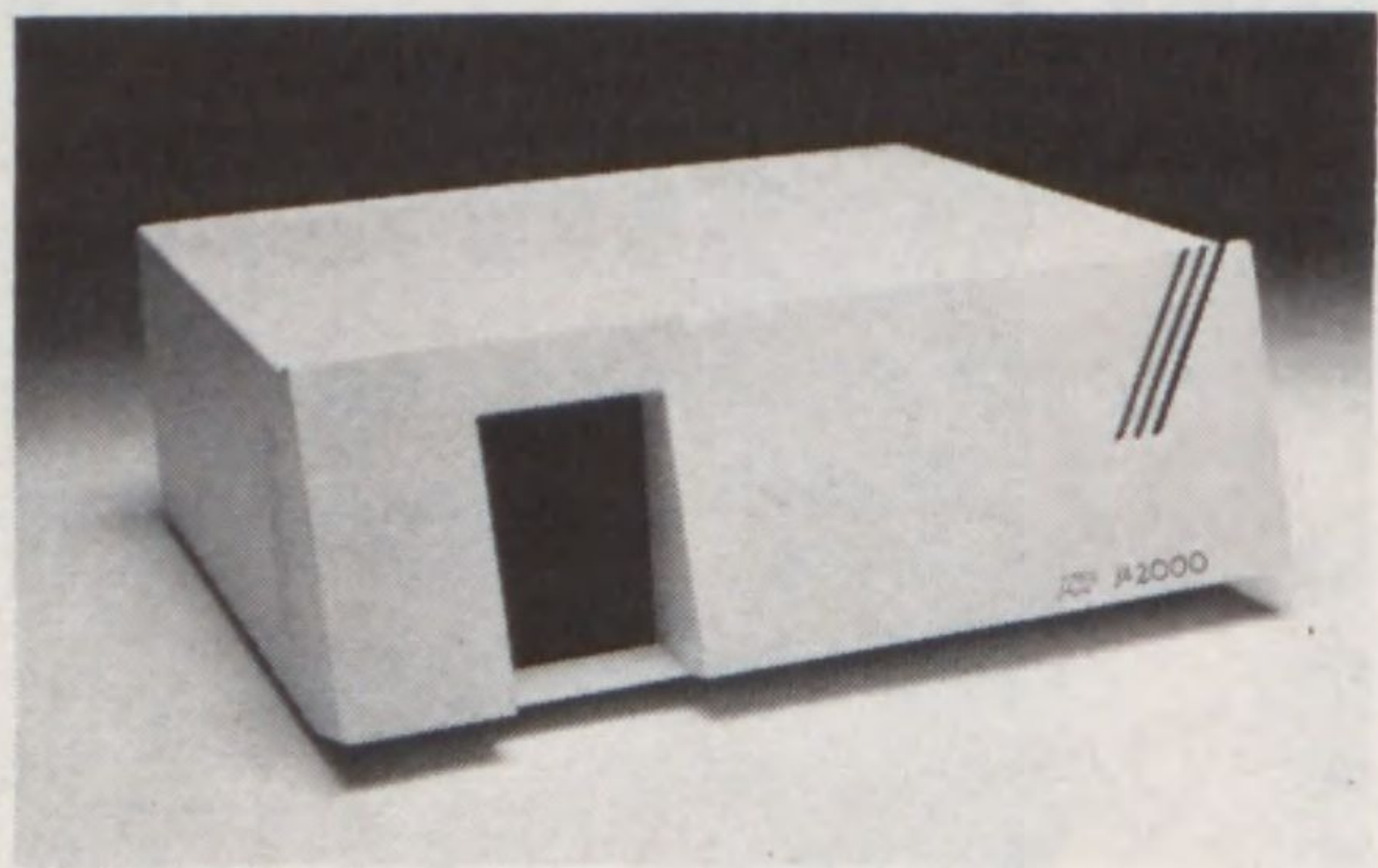
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1	AC Spark Plug	45	27	Oakleaf	Cover 4	51	Paulee Universal Bench	32
2	ARA Manufacturing	57	28	Saginaw	1			
3	Automated Doors & Controls	38	29	Sony	56			
4	Automotive International	Cover 3	30	Sports Achievements Association	44			
5	BMW of North America	37	31	Supra Products	36	<b>Circle # Showcase</b>		<b>Page</b>
6	Car-O-Liner	34	32	Tech Trans/Gerring	46	81	ADP	54
7	Chief Automotive Systems	29	33	Time Inc.	35	82	Monumental General Insurance	54
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13	ECP Auto Armor	6	<b>Circle # Buyer's Guide</b>		<b>Page</b>	47	Grabber Manufacturing	54
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18	Goshen Cushion	55	42	Buske Industries	32	93	Turtle Top	59
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20	JW Lighting	13	43	Chart Industries	32	95	Rockwood	59
21	Krex	43	7	Chief Automotive Systems	32	96	Consolidated Leisure Industries	60
22	National Auto Auction Association	40	44	Dinerman Equipment Manufacturing	32	97	Champion	60
23	NADA 1986 Convention	41	45	FMC	32	98	Etnom	60
24	National Hole In One Association	50	46	Framaliner Manufacturing	32	35	Vernco	60
25	New Profit Systems	36	47	Grabber Manufacturing	32	100	Starcraft	60
26	RE NU AIR	44	48	Kansas Jack	32	101	Advantage	60
			49	Kwik-Ezee	32	102	Coachman Vans	60
			50	Markham Equipment	32	103	Elk Enterprises	60



# Showcase: What's New on the Market

ADP Dealer Services is expanding its line of **automotive computing services** by including a new low-cost system for low-volume automobile dealerships. The company says the new product, the ADP Basic Computing System, was designed to bring affordable onsite computing service to dealers selling 40 or fewer new cars per month. The system is available in a variety of configurations that include an ADP Micro 2000 computer, advanced video terminals and printers, and ADP Basic accounting, payroll, parts inventory, and parts invoicing interactive software applications. F&I, service merchandising and word processing applications can also be added. ■

**Circle #81 on Reader Service Card**



New to Monumental General Insurance Co.'s Profit System is state-of-the-art **F&I software and hardware**. The company says its software, developed by Ohio Software Inc., combines the best features of several of the most popular data base programs on the market, plus the most advanced capabilities. The system offers numerous payout calculations, including quick quotes, leasing calculations, cash, bank and credit union conversions, as well as optional payment schedules, sales follow-up and inventory and management reporting capability. ■

**Circle #82 on Reader Service Card**

Dana's Precision Controls Division, manufacturer of electronic accessory products, has introduced a **wiper delay** for motor home manufacturers. The company says the unit has that "RV look" and fits all 2-, 3- and 4-wire wiper systems. The unit includes such features as delay on, low and high speeds and wash. ■

**Circle #83 on Reader Service Card**



According to Wynn Oil Co., its X-Tend **Oil System Cleaner and Conditioner** is an advanced automotive crankcase additive formulated to help dissolve and remove internal engine contaminants. The product is designed to improve the oil drain procedure by suspending crankcase contaminants so they can be drained with old oil, leaving a cleaner engine. The company says the product also contains friction-reducing metal conditioners that help protect the internal engine components to assure proper lubrication during the cleaning process. ■

**Circle #37 on Reader Service Card**



According to Unique Cars Enterprises Inc., its **500 SL** is a perfect scaled down version of the world's most desirable convertible. This fully operative car can be used as a child's toy or as an attention-getter in an office, reception area or showroom. ■

**Circle #85 on Reader Service Card**

From E&G Classics Inc. comes a **half-top package** for the Cadillac Coupe DeVille. The package comes complete with mouldings, a fiberglass shell, top band and hardware kit. Also available is a half vinyl top with a French seam. ■

**Circle #86 on Reader Service Card**



New from Bee Line is a fully automated computer **balancing system** with front mounted wheel designed to save space. The machine fits in an area 45 x 47 inches and requires only six inches between back and wall. According to the company, the unit handles wheels up to 140 pounds and 42-inch diameters, and gives inside and outside digital readings accurately to 1/10 ounce with a single 4-second cycle. The unit comes with a full set of adapters to handle a wide variety of wheels. ■

**Circle #40 on Reader Service Card**

According to Grabber Manufacturing Co., its **Uni-Mech Measuring and Adjusta-Bench System** is a relatively inexpensive method of securely anchoring and precisely measuring damaged unitized vehicles. The company says the product, designed for use with any Kar Grabber collision repair system and adaptable to other floor-type systems, allows a shop to accomplish the same repairs as done on a rack or bench. The Adjusta-Bench stands can be removed when not in use, freeing up shop floor space. ■

**Circle #47 on Reader Service Card**

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# On the Hill

## Paperwork relief spelled backwards is IRS

The Internal Revenue Service didn't make its reputation on kindness and benevolence, but its new vehicle recordkeeping

and withholding requirements imposed in January are downright impossible. As the mailbags filled with protest letters in Capitol Hill offices point out, these new requirements pose a greater paperwork

burden on businesses, particularly small businesses, than all the paperwork relief enacted over the past four years. We seem to be going backwards.

NADA is leading growing opposition to these requirements. In testimony before the House Ways and Means Committee, NADA Executive Vice President Frank McCarthy pointed out that the requirements "will not only result in a reduction of automobile and light truck sales, but will fail to add any additional revenue to the Treasury." He said the additional \$150 million expected to be raised by these provisions would be more than offset by the cost of complying with them, a cost he estimated could exceed a half billion dollars.

Dealers asked Congress to eliminate both IRS requirements.

In similar testimony before the Senate Treasury, Postal Service and General Government Subcommittee, NADA explained that, "The regulations issued by the IRS have proven very confusing to dealers and have generated an avalanche of questions, many of which cannot be presently answered. Well-intentioned and law-abiding taxpayers will be, and now are, in technical violation of many of these provisions because of their complexity and their overall inability to 'fit' into the real-world conditions of the retail automobile and truck business."

## Heading off heater regs

Five years ago the government was telling us to conserve fossil fuels at all costs. It became the moral equivalent of war. Some 35,000 auto dealers and repair facilities took that message to heart and began saving fuel and money by burning their used crankcase oil and other lubricating fluids in oil-fired space heaters. Now, the Environmental Protection Agency (EPA) has proposed regulations that could ban this practice.

Under requirements of the Hazardous and Solid Waste Amendments of 1984, the EPA is required to develop and implement standards on the burning and disposal of used oil. On January 11, the EPA proposed to ban the burning of used oil in non-industrial boilers and furnaces, which means units that do not produce



## Sound reasons to ask for Sony:

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So, ask for Sony from your van supplier. It's priced right. And it's Sony.



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CUSTOM AUDIO DIST.  
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Circle #29 on Reader Service Card



energy for use in manufacturing. However, the agency agreed to consider exemption of certain oil-fired space heaters commonly used in automotive service and repair shops if three conditions were met: 1) The heater burns only used oil generated on-site; 2) the maximum capacity of the heater is not more than 0.5 million Btus per hour; and 3) the combustion gases of the heater are vented outside the building.

Since most auto dealers meet this criteria, NADA was quick to respond to the proposed regulations, strongly supporting an exclusion for auto dealers. However, we still need dealers' help in proving our case. If your dealership has a used oil-fired space heater, NADA needs to know the type of heater, whether atomization or vaporization, the maximum capacity in Btu per hour and your venting arrangements. Responses should be mailed to NADA Legal and Regulatory Affairs, 8400 Westpark Drive, McLean, VA 22102. ■

### Don't forget the Used Car Rule

After a bloody 10-year battle, the Federal Trade Commission's Used Car Rule became effective May 9, 1985. The final rule, which NADA considers an excellent compromise, has been challenged in the courts by Consumers Union. But this litigation will in no way alter the effective dealer compliance date for the rule.

NADA has issued "A Dealer Guide to the FTC Used Car Rule" to all members (limited copies are also available from NADA's Management and Training Division). In a nutshell, the final rules prohibit any misrepresentation by a dealer as to vehicle condition and warranty coverage. Dealers must use a specific contractual disclosure statement and affix a window disclosure label to used vehicles offered for sale to consumers. The label contains the following four elements:

- a disclosure of whether the vehicle is offered for sale "as is" or with a warranty and, if the latter, the coverage and duration of the warranty;
- a disclosure as to service contract availability;

- a suggestion that the consumer ask the dealer whether the vehicle may be inspected either on or off the lot; and
- a warning that spoken promises are

difficult to enforce, coupled with a suggestion that the consumer obtain all promises in writing. □

—Ted Orme

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# Special Showcase: Vans/Recreational Vehicles

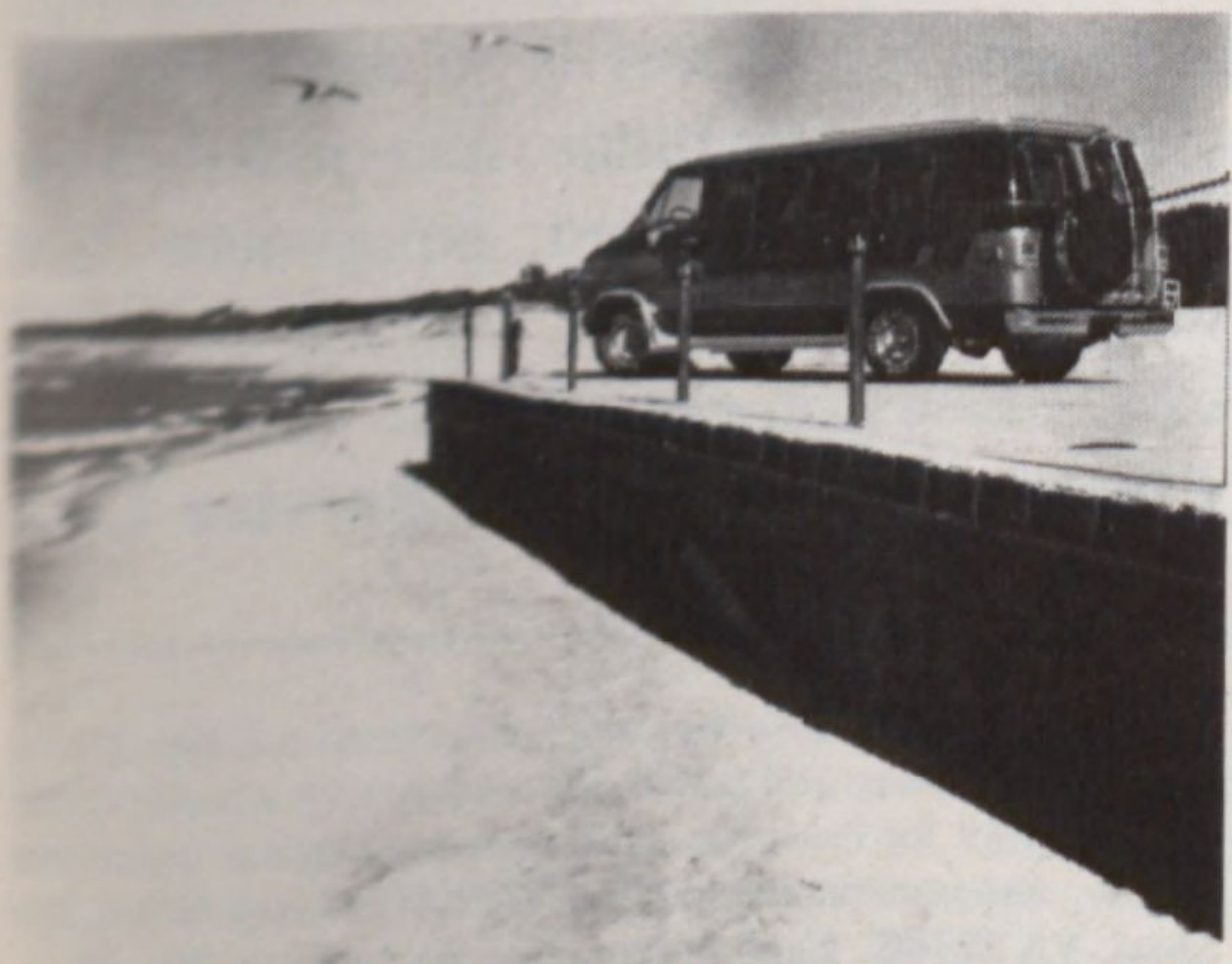
According to Vogue Coach Corp., while the new Vogue 29' **motorhome** is the smallest of the Vogue line, its sophisticated approach to luxury and convenience equals that found in the larger units. The motorhome is available in five floorplans and three interior color schemes. Standard features include vertical blinds, microwave-convection oven, four burner range, blender, porta-vacuum, six-way power seats, heated exterior mirrors, color TV, power spot light, 40-channel CB radio and antenna, auto air conditioning, stainless steel split sinks and abundant storage. The aerodynamically designed exterior features color-coordinated graphics. ■

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Gerring says its line of luxury Chevy **vans** now offers even more consumer choices for '85, and that their impressive list of optional equipment has brought new meaning to the word "customize." Gerring offers five different packages for windows, upholstery and seating, as well as a tremendous selection of luxury appointments. ■

**Circle #32 on Reader Service Card**



According to Utilimaster Corp., its 1985 Aviator line of luxury **van conversions** features a special emphasis on quality and engineering. The design provides increased leg and head room, and incorporates 24-inch thick, R-7 fiberglass insulation and leak-preventing window seals. Standard equipment includes a new custom kick panel with ash tray, lighter and beverage/cup holders; four high-back reclining captains chairs; rear sofa/bed; Panasonic AM/FM cassette stereo; luxury interior; and a choice of three different paint designs and color schemes. ■

**Circle #91 on Reader Service Card**



Bivouac Automotive Corp. is introducing its Signature Series **van conversion**, featuring automotive grade leather interiors, color-coordinated carpeting and side-lighted drink holders. According to the company, the van is designed as a replacement for a luxury sedan, and includes custom-designed Flexsteel seating and a rear sofa/bed. Other appointments include a light control console for regulating airline-style lights, overhead color TV with remote control console, removable seats and fiberglass running boards. ■

**Circle #92 on Reader Service Card**

Turtle Top Inc. is introducing its Classic II **Camper Van**, which the company says is designed for both easy driving and maneuverability and functional use in camping. The conversion utilizes a Ford Supervan and offers a complete self-containment package including hot and cold water, LP gas, shower, heating system, etc. (It is also available without the self-containment package.) Many standard features are included and optional accessories are available. ■

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New from Temple Products of Indiana is a comprehensive **catalog** that defines and illustrates the wide range of OEM and aftermarket accessories Temple provides to the manufactured housing, recreational vehicle, van conversion, automotive and marine industries. The catalog is designed in a convenient format that allows the addition of new products and information as they are introduced. ■

**Circle #94 on Reader Service Card**

Rockwood Inc. is introducing the Bayport, its latest Class A **motorhome** model. According to Rockwood, although loaded with standard features, the model is value-priced to be attractive to first-time motorhome buyers or those who wish to trade up. The motorhome is available in 25-, 27-, and 34-foot lengths, with a choice of several floorplans. Built on a Chevrolet chassis with a 454-cubic-inch engine, the unit comes standard with a six-cubic-foot refrigerator, four-burner range with oven, power range hood with light and a 34,000 Btu electronic ignition furnace. ■

**Circle #95 on Reader Service Card**



# Special Showcase: Vans/Recreational Vehicles

Consolidated Leisure Industries says its 1985 **van camper** is designed to offer full camping and driving pleasure and numerous standard features at an affordable price. Exteriors are available in a choice of tan, white or walnut with painted graphics and slider windows with screens; inside, decors feature velvet fabrics in shades of brick or tan accented by oak paneling. Standard are a galley with stove top, refrigerator and sink, carpeting, a 16,000 Btu furnace with electronic ignition and storage space. The camper is available on a choice of Ford, Chevrolet or GMC chassis. ■

**Circle #96 on Reader Service Card**



New exterior colors and interior fabrics mark the introduction of the 1985 LaSalle luxury **van conversion** from Champion, which the company says is designed for the discriminating buyer who wants the best in a luxury van conversion. The LaSalle uses custom two-tone exterior colors highlighted with coordinated striping; color-coordinated fabrics are used inside. Standard features include aircraft-type bullet lighting, touch-pad control panel with quartz-digital clock, AM/FM cassette stereo with multi-band equalizer, rally wheels, solid mahogany instrument panel, swivel/recliner seats and sun roofs. ■

**Circle #97 on Reader Service Card**



Etnom says that its new L.T. Series **van conversion** is exquisitely appointed and lavishly equipped, and calls it "a coach apart." The interior features genuine leather and solid walnut, and comes in a variety of color schemes. ■

**Circle #98 on Reader Service Card**

Vernco Corp., makers of **air handling equipment** for the recreational vehicles industry, recently acquired the UltraKool Rooftop air conditioning systems from Kysor Industries. The UltraKool line of roof air includes the 11,000 Btu Model 811 and 13,500 Btu Model 814, both of which are available with a "heat option." This acquisition is the first step in Vernco's expansion plans. ■

**Circle #35 on Reader Service Card**



Starcraft Co. is introducing its new GMC "M" Series Safari **van conversion**. The "M" Series package will be available on Starcraft's top-of-the-line GT Series, as well as its mid-priced SL Series and the economical SS Series. The "M" Series floorplan features two high-back chairs, a full-width rear sofa, the company's patented six-way compartment system and teak trim throughout the passenger compartment. ■

**Circle #100 on Reader Service Card**

Advantage Corp. is introducing its new Sports Classic **conversion** of the Chevrolet Astro mini-van. The conversion features an exclusive front bench seat/rear sofa combination designed in conjunction with the Goshen Cushion Co., and a unique fiberglass running board and rear spoiler. ■

**Circle #101 on Reader Service Card**

The 1985 Executive is Coachman Vans top-of-the-line **van conversion**. A wide range of exterior automotive color schemes with sleek graphics is available; six 16 x 30-inch vertical opening dark-tint windows and a continental tire kit complete the contemporary look. Coachman says the van's interior has been designed for elegant comfort. Draperies and tie backs, four high-back swivel reclining seats, map pockets, a full-length rear sofa, plush carpeting, an automotive sewn headliner and sidewalls of woven velvet fabric are all color-coordinated. The Executive is available on a choice of Ford, Chevrolet or GMC chassis. ■

**Circle #102 on Reader Service Card**



Elk Enterprises has expanded its **van conversion** line to include a new model, the EV200. According to the company, although the model is in the economy side of the price range, it includes many features as standard equipment that would be considered options by other van conversion companies. □

**Circle #103 on Reader Service Card**

July's special showcase features conversions and kits. Please send press release and black-and-white glossy photograph of your product for consideration to: **Joan Rubin, associate editor, Automotive Executive, 8400 Westpark Drive, McLean, VA 22102. Materials must be received by May 15.**







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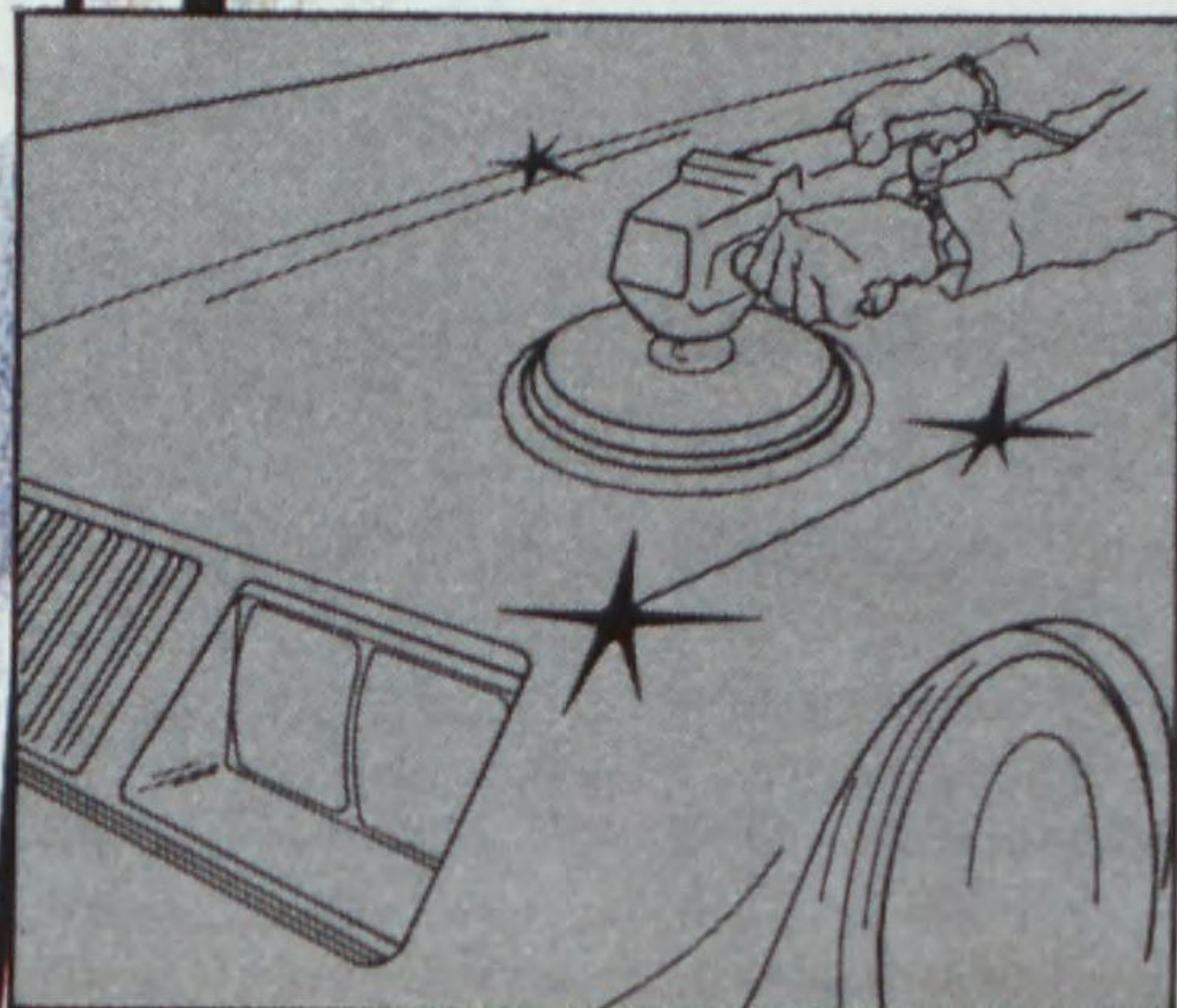
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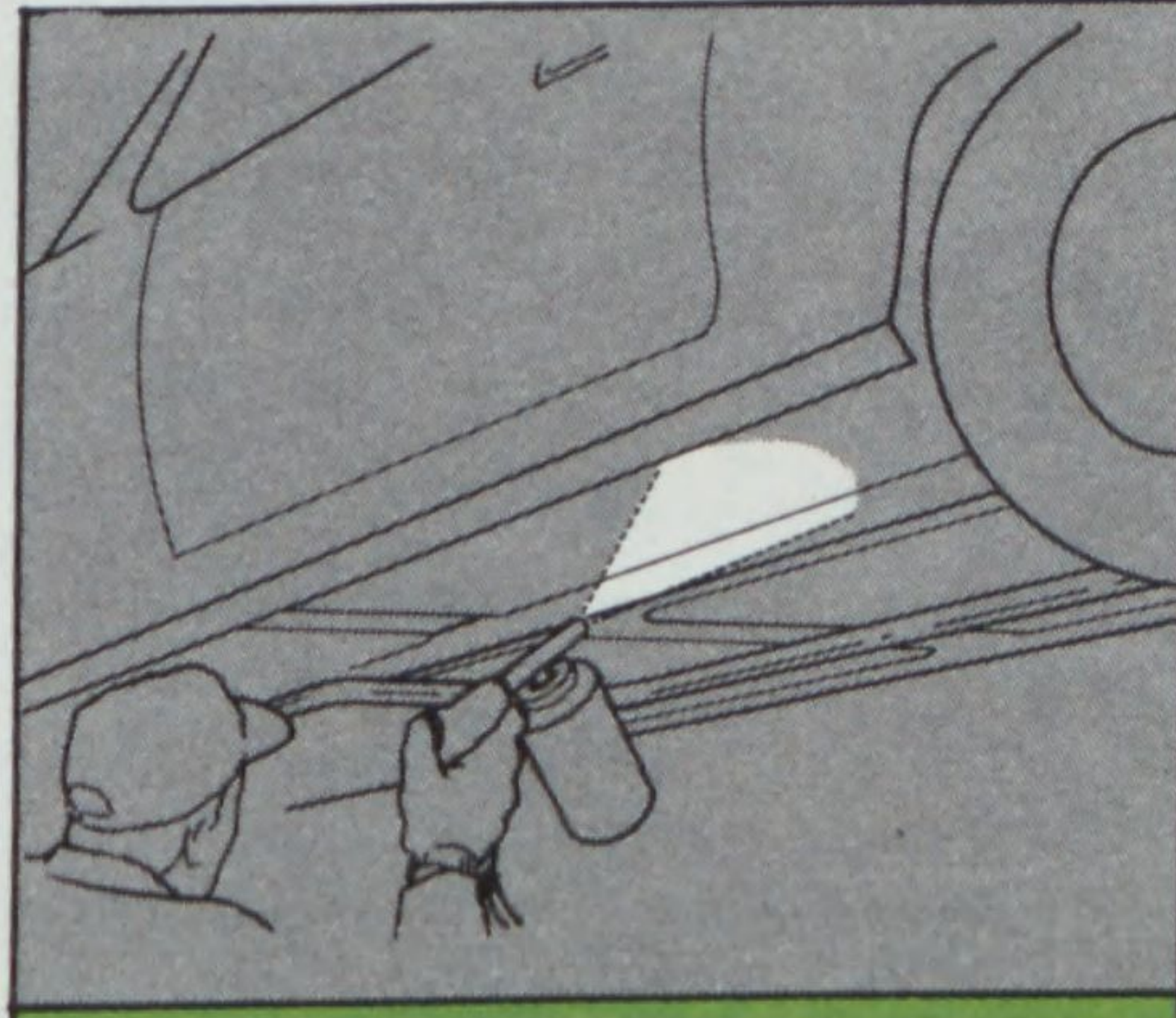
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